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**JEFFERSON DAVIS PARISH SCHOOL BOARD**

Jennings, Louisiana

Basic Financial Statements

As of and for the Year Ended June 30, 2003

With Supplemental Information Schedules

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-14-04

**JEFFERSON DAVIS PARISH SCHOOL BOARD**

*Jennings, Louisiana*

**Basic Financial Statements**

**As of and for the Year Ended June 30, 2003**

**With Supplemental Information Schedules**

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**JEFFERSON DAVIS PARISH SCHOOL BOARD**

Jennings, Louisiana

Basic Financial Statements

As of and for the Year Ended June 30, 2003

With Supplemental Information Schedules

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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
The Jefferson Davis Parish School Board  
Jennings, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson Davis Parish School Board (School Board), as of and for the year ended June 30, 2003, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2003, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 20, the board has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, as of June 30, 2003.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2003, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 4 through 15 and 45 through 48, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the

methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The supplemental information section which includes the combining and individual nonmajor fund financial statements, and other supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the School Board. The combining and individual nonmajor fund financial statements, the other supplemental information schedules, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Mike B. Gillespie, CPA, APAC*

Jennings, Louisiana  
December 3, 2003

**REQUIRED SUPPLEMENTAL INFORMATION**

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS (MD&A)**

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2003**

The Management's Discussion and Analysis (MD&A) of the Jefferson Davis Parish School Board is intended to provide both an overview and review of the School Board's financial activities for the fiscal year ended June 30, 2003. The intent of the MD&A is to provide a *meaningful discussion to interested financial statement users of the School Board's overall financial performance taken as a whole*. Therefore, it should be read in conjunction with the School Board's financial statements, the notes to the financial statements, and any related supplementary information.

The MD&A is a new element of the required supplementary information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* that was issued in June 1999. Certain comparative information between the current fiscal year (2002-2003) and the prior fiscal year (2001-2002) would be required to be presented in the MD&A. However, this is the first year of implementation of the required GASB No. 34 reporting model. Accordingly, Statement No. 34 permits the omission of prior year data in the year of implementation due to the cost of adjusting the prior year's statements to the new reporting model. The School Board elects to omit this data for the 2002-2003 fiscal year, and it will present the comparative data in all subsequent years.

**Financial Highlights For The 2002-2003 Fiscal Year**

- Net assets increased by \$1,592,971 for the fiscal year ended June 30, 2003, thereby bringing the total net assets of the School Board at that time to \$29,649,368.
- The total net change in fund balance for the School Board was an increase of \$3,765,486 that was comprised of the following:

Increase in General Fund	\$ 592,157
Increase in School District # 2 (Jennings)	
Capital Project Fund	3,218,899
Decrease in all other governmental funds	<u>(45,570)</u>
Net increase in total fund balance	<u>\$ 3,765,486</u>

The increase in School District # 2 Capital Project Fund was due to an excess of bond proceeds received over the construction progress payments made during the 2002-2003 fiscal year. All other changes in fund balances, including the General Fund, fall within normal ranges.

- Sales taxes collected for the General Fund declined less than 1% during the 2002-2003 fiscal year as compared to the previous year. However, the total collected of \$6,690,213 is the second highest collected total during the last seven years.



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2003**

- Ad valorem taxes collected for the General Fund increased slightly during the 2002-2003 fiscal year due to an increase in property values throughout the parish. The increase in property values is attributed to an audit of property values conducted by the State Legislative Auditor in which it was determined that the property values of Jefferson Davis Parish were below the acceptable range of values.
- Sales taxes and ad valorem taxes collected for debt service by the School Board increased significantly during the year, most notably due to the addition of two new construction projects. In March 2003, School District # 2 (Jennings) began construction of a new high school for grades 7 through 12 that will cost approximately \$24 million when completed. The new high school, which is scheduled for completion in December 2004, is being funded from bond issues that are jointly supported by a half-cent sales tax and ad valorem (property) tax revenues. School District #5 (Fenton) started a \$1 million renovation program in May 2003 at its elementary school that services grades K through 8. The Fenton renovation program is funded by a bond issue that is supported solely by ad valorem tax revenues.
- The largest single revenue source continues to be the Minimum Foundation Program (MFP) distribution from the State, which was approximately \$24.6 million for this fiscal year. The MFP funding calculation is based to a large extent upon the verified student enrollment in existence at October 1, 2002 times an applied per pupil contribution amount. The base per pupil contribution for the 2002-2003 fiscal year was \$3,276 per student.
- By requirement of state law, the School Board had to dedicate at least half of any MFP growth funds received for the fiscal year to certificated (those positions requiring a Louisiana teaching certificate) pay raises. "MFP growth funds" are defined as the excess of Level 1 and Level 2 MFP funding received in the current year over that received in the prior year. For 2002-2003, the minimum amount that must have been applied towards certificated pay raises was \$648,802. The School Board exceeded this requirement by applying over \$800,000 to 2002-2003 certificated pay raises. In addition, support personnel were also given a raise during the year.
- The Jefferson Davis Parish School Board participates in the state-sponsored group health insurance plan that is operated by the Louisiana Office of Group Benefits (OGB). Required employer premium contributions on behalf of active and retired employees to the OGB increased by approximately \$555,000 without any additional funding received from the State for this purpose. There are two reasons for this increase. First, the total premium cost (employer and employee portion combined) increased by approximately 15%, which is indicative of current state of the health care industry. Also, the 2002-2003 fiscal year is the second year of a 3-year phase-in period for increasing the employer contribution percentage of the total health insurance premium cost from 50% to 75%. The 3-year phase-in period of the increased employer contribution percentage (fiscal



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2003**

years ending June 30, 2002, 2003 and 2004) was mandated by an act of the state legislature in 2001. The School Board has had to pay approximately \$1.2 million more in increased employer health insurance contribution costs after two years of the phase-in program. The School Board has been able to absorb this burden within its budgetary resources without any reductions in employees or educational services.

- The largest federally funded program is the School Food Service/Child Nutrition program, which received approximately \$1.6 million in federal funds during the 2002-2003 fiscal year. Title I, a program to assist the education of economically disadvantaged children, received approximately \$1.4 million during the same time period. The School Board also received federal special education funds through the IDEA program of about \$1 million. Other federal grants received during the year target such areas as the education of migrant children, teacher training and hiring, technology acquisition and development, vocational education, and adult education.

**Using This Annual Financial Report**

This annual financial report consists of a series of financial statements and the associated notes to those statements. These statements are organized so that the reader can understand the operations of the School Board as an entire operating entity. The Basic Financial Statements Section, consisting of the Statement of Net Assets and the Statement of Activities (see pages 17 and 18), provide highly consolidated financial information for the entire School Board taken as a whole. The Statement of Net Assets and the Statement of Activities present an aggregate view of the School Board's financial position, and they seek to answer the question, "Is the School Board as a whole better off or worse off as a result of last year's activities?" These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the basis of accounting used by most private-sector entities. All of the revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the School Board's net assets and changes in them. You can think of the School Board's net assets, which is the difference between the assets and liabilities, as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net assets are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors, such as changes in the property or sales tax base within Jefferson Davis Parish, the maintenance needs and condition of the School Board's facilities, the cost of unfunded mandates passed onto the School Board, and other external factors of this nature in order to assess the overall financial health of the School Board.

The School Board's educational mission is defined as "governmental activities" in the Statement of Net Assets and the Statement of Activities. In this context, "governmental activities" represent the basic functions of the School Board, including all instructional services, support services, and child nutrition programs. These activities are primarily financed through state MFP funding, other federal and state grants, and local sales and property taxes.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2003**

The next section of the annual report is the Fund Financial Statements section, beginning on page 19 that provides a more in-depth reporting of the School Board's financial position and results of operations of the most significant funds – not the School Board as a whole. Some funds are required to be established by State law and some by bond covenants. Other funds are established to show that the School Board is meeting its legal responsibilities for the specific uses of certain taxes, grants, and other such monies. These statements as presented should be familiar to those who have read published governmental financial statements published in previous years.

The Fund Financial Statements segregate the School Board's operations into two types of funds, governmental funds and fiduciary funds. Governmental funds are established to account for most of the School Board's basic services, which focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported under the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed short-term view of the School Board's general government operations and the educational services that it provides. These statements indicate both the sources and uses of funds, as well as those resources available for spending in future years. The relationship between *governmental activities*, as shown in the Statement of Net Assets and Statement of Activities, and *governmental funds* is described in a reconciliation schedule (see Schedule D) in the Fund Financial Statements section.

The School Board is the trustee, or fiduciary, for the Jefferson Davis Parish sales tax collections and the school activity funds. The School Board serves as the sales tax collector for Jefferson Davis Parish and maintains sales tax collections that are due to the other taxing districts located in the state. Also, the School Board's fourteen schools have their own operating funds that are held in trust for the operations of the schools. The Fiduciary Funds Statement of Net Assets (see Statement G) provides some information as to the amount of funds held in trust. More detail of the specific amount of funds held in trust by the sales tax collection department and the schools is provided in Schedules 10, 11-1, and 11-2 on pages 78-80.

**The School Board As A Whole**

The total net assets of the School Board as of June 30, 2003 (as stated on the Statement of Net Assets, Statement A on page 17) were \$29.6 million. The makeup of this amount is summarized below in Table 1. As stated earlier, this is the first year of implementation of the new reporting model specified in GASB Statement # 34. As such, the School Board has elected not to include comparative data from past fiscal years. Future years' financial statements will present comparative data about the School Board's net assets and the principal causes for changes in the total net assets from year to year.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2003**

**Table 1**  
**Net Assets of the Jefferson Davis Parish School Board**  
**June 30, 2003**  
**(in millions)**

	<b>Governmental Activities June 30, 2003</b>
Current and other assets	\$ 43.4
Capital assets	22.9
Total assets	66.3
Long-term debt outstanding	(29.9)
Other liabilities	(6.8)
Total liabilities	(36.7)
Net assets:	
Invested in capital assets, net of debt	10.2
Restricted	4.8
Unrestricted	14.6
Total net assets	<u>\$ 29.6</u>

As reported in the Statement of Activities (Statement B on page 18), the School Board's net assets increased by \$1.6 million during the fiscal year ended June 30, 2003, which is summarized in Table 2. Comparative data is not available to fully explain any changes in program revenues or expenses from last year. However, this information will be presented in future years along with explanations for significant changes from year to year.

Table 3 presents both the total cost of each of the School Board's largest categories of expenses and their related net cost (total cost less revenues generated by the activities). The presentation of the net cost shows the financial burden that was placed on the School Board's taxpayers by these functions. As reported in the Statement of Activities, the total cost of the School Board's governmental activities was \$44.6 million, however, not all of this cost was borne by the parish taxpayers. Of this amount, \$0.8 million was paid by those who used or benefited from the services rendered (for example, charges for school lunches and summer school tuition), and \$6.2 million of the cost of services was financed from federal and state grants. As a result, the taxpayers of Jefferson Davis Parish paid a net cost of \$37.6 million.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2003**

**Table 2**  
**Changes in Net Assets of the Jefferson Davis Parish School Board**  
**Fiscal Year Ended June 30, 2003**  
**(in millions)**

	<b>Governmental Activities June 30, 2003</b>
<b>Revenues</b>	
Program Revenues:	
Charges for services	\$ 0.8
Operating grants and other contributions	6.2
General Revenues:	
Property taxes	5.3
Sales taxes	7.7
Other taxes	0.3
State minimum foundation funding (MFP)	24.5
Interest and investment earnings	0.5
Miscellaneous	0.6
Total revenues	<u>\$ 45.9</u>
<b>Program Expenses</b>	
Instructional services	24.1
Support services	14.6
Non-instructional services	4.1
Interest on long-term debt	1.2
Depreciation expense not included above	0.6
Total expenses	<u>\$ 44.6</u>
Excess (deficiency) before special items	\$ 1.3
Special item – land donation received	<u>0.3</u>
Increase (decrease) in net assets	\$ 1.6
Net assets, beginning balance	<u>28.0</u>
Net assets, ending balance	<u><u>\$ 29.6</u></u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2003**

**Table 3**  
**Changes in Net Assets of the Jefferson Davis Parish School Board**  
**Fiscal Year Ended June 30, 2003**  
**(in millions)**

	<b><u>Total Cost of Services</u></b>	<b><u>Net Cost of Services</u></b>
Regular education programs	\$ 15.8	\$ 15.4
Special education programs	5.0	4.3
All other instructional programs	3.3	1.4
Instructional staff support services	2.7	1.6
School administrative services	2.7	2.7
Plant operations and maintenance	3.7	3.6
Student transportation services	1.9	1.8
School food and nutrition services	3.2	1.0
Interest on long-term debt	1.2	1.2
All other programs and services	<u>5.1</u>	<u>4.6</u>
Totals	<u>\$ 44.6</u>	<u>\$ 37.6</u>

**The School Board's Funds**

The School Board uses funds to control and manage money for particular purposes, such as for dedicated expenditures of taxes or grant programs. The fund financial statements contained in this annual report allow the School Board to demonstrate its stewardship and control of resources provided by taxpayers and other entities. These statements also allow the reader to obtain more insight into the overall financial health of the School Board.

The School Board ended its fiscal year on June 30, 2003 with a total combined fund balance of \$36.9 million. Table 4 provides a summary of the makeup of the \$36.9 million by fund category:

**Table 4**  
**Summary of Fund Balances of the Jefferson Davis Parish School Board**  
**Fiscal Year Ended June 30, 2003**  
**(in millions)**

	<b><u>General Fund</u></b>	<b><u>Special Revenue</u></b>	<b><u>Capital Projects</u></b>	<b><u>Debt Service</u></b>	<b><u>Total All Funds</u></b>
Reserved	\$ 1.3	\$ 0.0	\$ 0.0	\$ 0.0	\$ 1.3
Unreserved:					
Designated	1.3	0.0	0.0	0.0	1.3
Undesignated	<u>16.0</u>	<u>1.3</u>	<u>14.3</u>	<u>2.7</u>	<u>34.3</u>
Totals	<u>\$ 18.6</u>	<u>\$ 1.3</u>	<u>\$ 14.3</u>	<u>\$ 2.7</u>	<u>\$ 36.9</u>



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2003**

The fund balance in the Capital Projects Funds represents the excess of funding received from bond sales over the amount of construction expenditures incurred to date. The construction of the new high school in School District # 2 (Jennings) is the largest construction project still in progress. The fund balance in School District # 2 Construction Fund is \$ 13.2 million at the end of the fiscal year. The high school is scheduled for completion in December 2004.

**General Fund Budgetary Highlights**

Over the course of the year, the School Board revises its budget to take into consideration any significant changes in revenues or expenditures. Louisiana Revised Statute 36:1311 requires a budget amendment if either expected revenues are less than budgetary goals by 5% or more or if anticipated expenditures are greater than budgetary goals by 5% or more. The original budget was adopted by the School Board on August 15, 2002. The first budget revision was adopted in March 2003 after final funding figures were received from the state, including the final amount of the mandated state certificated salary increase. On June 17, 2003, the final budget revision was adopted.

Schedule 1, on pages 46 to 47 of this annual report, shows the School Board's original and final budgets compared with the actual operating results. The School Board generally did better in its General Fund than what was originally budgeted. The School Board utilizes conservative budgeting practices in establishing its original budget. Revenues are forecasted at safe, conservative levels while expenditures are budgeted with worst case scenarios in mind. In particular, the School Board utilizes a strict staffing formula whereby salaried positions are eliminated with declines in the amount of students, which causes a drop in state funding. This is done to ensure that the original budget of the School Board will be able to sustain its needed level of operations with anticipated available resources whose existence can be established with a reasonable amount of certainty.

A comparison of the final budget revision with the actual operating results shows that the School Board did slightly better than budgeted. The principal reason for this was due to revenues received at the end of the year from restricted state grants that were about \$190,000 more than budgeted. The difference between final budgeted expenditures and actual expenditures was negligible. The excess of revenues over expenditures in the General Fund was approximately \$592 thousand. This excess will be rolled into the beginning General Fund Balance for the 2003-2004 fiscal year to help offset the increased cost of group health insurance premiums, as explained earlier in this MD&A.

**Capital Asset and Debt Administration**

**Capital Assets**

At June 30, 2003, the School Board had invested approximately \$22.9 million (net of accumulated depreciation) in a variety of capital assets, including land, buildings, furniture, vehicles, computers, and other such items. Table 5, shown below, summarizes the capital asset activity for the current fiscal year.



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2003**

**Table 5**  
**Balance in Capital Assets (net of depreciation)**  
**of the Jefferson Davis Parish School Board**  
**June 30, 2002 and 2003**  
**(in millions)**

	<u>2002</u>	<u>2003</u>
Land	\$ 1.2	\$ 1.6
Construction in progress	0.4	3.1
Buildings	13.9	15.7
Furniture	2.1	2.0
Vehicles	0.7	0.5
Totals	<u>\$ 18.3</u>	<u>\$ 22.9</u>

There were two principal additions to buildings in 2003 that account for the increase of \$1.8 million shown in Table 4. Two new pre-kindergarten classrooms were added to Hathaway High School in School District # 3. In addition, a new wing of elementary classrooms was completed at Elton Elementary School in School District # 22. Also, land of \$400,000 was acquired during the fiscal year for the new high school in School District # 2 (Jennings).

As mention earlier in the MD&A, a new high school is currently under construction in School District # 2. This ongoing activity will cause a significant increase in Construction In Progress for 2003-2004. The school is not scheduled for completion until the 2004-2005 fiscal year, and at that time it will be transferred into its capital asset components.

**Debt**

At year-end, the School Board had \$30.0 million in long-term debt outstanding versus \$22.8 million last year. This is a 32% increase over the previous year, which is illustrated in Table 6 below:

**Table 6**  
**Outstanding Debt at Year-End of the Jefferson Davis Parish School Board**  
**June 30, 2002 and 2003**  
**(in millions)**

	<u>2002</u>	<u>2003</u>
General obligation bonds	\$ 20.4	\$ 27.7
Compensated absences	2.4	2.3
Totals	<u>\$ 22.8</u>	<u>\$ 30.0</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2003**

Two new bond issues were sold during the 2002-2003 fiscal year. School District # 5 (Fenton) sold \$1 million of general obligation bonds to finance a renovation program at Fenton Elementary School. The other issue sold was a \$7 million general obligation bond issue to help finance the construction of the new high school in School District # 2. The third and final bond issue for School District # 2 is a \$7 million issue of revenue bonds, supported by a one-half cent sales tax that will be sold in December 2003. Other long-term obligations include accruals for accumulated sick leave and vacation pay.

Moody's Investor Services has recently issued a "Baa3" bond rating for the School District # 2 \$7 million Revenue Bonds (Series 2004) that will be sold in December 2003. However, all current bond issues have qualified for bond insurance, thereby allowing the sale of the bonds at much lower interest rates. The School Board does not anticipate any change in this rating in the foreseeable future.

**Economic Factors And Next Year's Budget**

Jefferson Davis Parish is a rural community without much in the way of an industrial or business tax base. As a result, there has been a slow and steady decline in the student population over the last ten years, predominately caused by a lack of jobs for workers in the area. A drop in the number of students means a decline in the amount of funds received from the State through its MFP funding plan. Fortunately, the State has steadily increased its per pupil funding level over the last several years which has offset the loss of income due to the decline in students. In addition, the School Board adopted a staffing formula for its school system in which the number of professional and support employees at each location is largely determined by the student count. By the terms of the staffing formula, a decrease in the number of students triggers a reduction in the number of employee positions, and vice versa should there be an increase in a school's student count. This staffing formula is largely responsible for keeping the General Fund in sound financial condition as it allows the School Board to control the amount of spending for employee salaries and benefits, which comprises approximately 87% of its total budget.

The property tax and sales tax bases have shown a trend of modest growth over the last five years. A reassessment of property values in the parish during 2002 as ordered by the State Legislative Auditor resulted in an increase in property values in each district in the parish except for one. The increase in property values will result in additional income from property taxes to the School Board. Sales taxes declined by less than 1% fiscal year 2003 as compared to fiscal year 2002. The decline is not considered to be significant nor is it considered to be cause for alarm. Sales tax collections in fiscal year 2003 are still 13% greater than the amount collected five years ago in fiscal year 1998.

Although the financial status of the School Board appears to be in good condition, there is cause for concern for the 2004 fiscal year. As mentioned earlier in the MD&A, the 2004 fiscal year is the last of a 3-year phase-in period for increasing the School Board's contribution towards employee group health insurance premiums. This unfunded mandate passed along to the local school districts by the State will cause the School Board to absorb approximately \$700,000 of

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2003**

additional employee benefit costs in fiscal year 2004. In addition, insurance premiums for the School Board's property, general liability, automobile/fleet, and workers compensation insurance programs continue to escalate at an alarming rate due to national and local insurance market factors beyond its control. As a result of this information, the School Board did not issue a local pay increase to its employees for the first time in seven years, although it reserves the right to do so should the financial results from fiscal year 2004 improve over initial projections.

**Contacting The School Board's Financial Management**

This annual report is designed to provide a general overview of the School Board's financial condition and operations. However, citizen groups, taxpayers, parents, students, other parish officials, investors, and creditors may desire to obtain additional details. Please either write the Director of Finance at the Jefferson Davis Parish School Board Central Office at P. O. Box 640, Jennings, Louisiana 70546 or call at (337) 824-1834 during normal business hours should you require any additional information about the material contained in this annual report.

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**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Statement of Net Assets**  
**June 30, 2003**

**Statement A**

**ASSETS**

Cash and cash equivalents	\$ 40,612,539
Receivables, net	2,079,242
Inventory	436,566
Prepaid items	8,000
Deferred charges, net	224,380
Capital assets:	
Land and construction in progress	4,700,842
Exhaustable capital assets, net of depreciation	18,215,206

**TOTAL ASSETS**

66,276,775

**LIABILITIES**

Accounts payable	549,474
Contracts payable	1,017,458
Payroll deductions, withholdings, and accrued salaries payable	4,646,651
Interest payable	447,205
Deposits due others	11,705
Long-term liabilities:	
Due within one year	1,357,950
Due in more than one year	28,596,964

**TOTAL LIABILITIES**

36,627,407

**NET ASSETS**

Invested in capital assets, net of related debt	10,243,153
Restricted for:	
Debt service	2,288,256
Capital projects	258,509
Insurance contingencies	1,000,000
Maintenance funds	1,043,747
School food service	230,246
Unrestricted	14,585,457

**TOTAL NET ASSETS**

\$ 29,649,368

The accompanying notes are an integral part of this statement.



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Statement of Activities**  
**For the Year Ended June 30, 2003**

**Statement B**

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
<b>FUNCTIONS/PROGRAMS</b>				
Governmental activities:				
Instruction:				
Regular programs	\$ 15,754,216	\$ 116,307	\$ 272,231	\$ (15,365,678)
Special education programs	4,979,470		687,318	(4,292,152)
Vocational programs	1,337,156		93,839	(1,243,317)
All other instructional programs	1,992,437	55,360	1,749,555	(187,522)
Support services:				
Student services	1,894,881		244,312	(1,650,569)
Instructional staff support	2,630,538		1,072,419	(1,558,119)
General administration	1,002,654	99,618	13,273	(889,763)
School administration	2,693,973		11,986	(2,681,987)
Business services	459,645		35,190	(424,455)
Plant operation and maintenance	3,718,454		78,753	(3,639,701)
Student transportation services	1,866,994	14,310	55,115	(1,797,569)
Central services	333,253		110,149	(223,104)
Non-instructional services:				
Food services	3,211,946	471,213	1,704,273	(1,036,460)
Community service programs	76,991			(76,991)
Intergovernmental	847,025		81,650	(765,375)
Interest on long-term debt	1,189,086			(1,189,086)
Depreciation expense not included in other functions	582,499			(582,499)
<b>Total Governmental Activities</b>	<b>44,571,218</b>	<b>756,808</b>	<b>6,210,063</b>	<b>(37,604,347)</b>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				1,908,981
Property taxes, levied for debt service				2,108,815
Property taxes, levied for building and repair				1,277,138
Sales taxes, levied for general purposes				6,690,213
Sales taxes, levied for debt service				993,934
State revenue sharing				292,861
Grants and contributions not restricted to specific purposes:				
State source: Minimum foundation program net of restricted				
School Lunch Program Revenue portion of \$43,747				24,518,597
Interest and investment earnings				548,181
Miscellaneous				558,598
Special item - land donation received				300,000
<b>Total general revenues</b>				<b>39,197,318</b>
<b>Changes in net assets</b>				<b>1,592,971</b>
<b>Net assets -beginning</b>				<b>28,056,397</b>
<b>Net assets -ending</b>				<b>\$ 29,649,368</b>

The accompanying notes are an integral part of this statement.

**BASIC FINANCIAL STATEMENTS**  
**FUND FINANCIAL STATEMENTS (FFS)**

JEFFERSON DAVIS PARISH SCHOOL BOARD  
GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2003

Statement C

	General Fund	School Distrikt No. 2 Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 21,226,985	\$ 14,042,674	\$ 5,342,880	\$ 40,612,539
Receivables	982,333	-	1,096,909	2,079,242
Interfund receivables	692,950	-	-	692,950
Inventory	329,347	-	107,219	436,566
Prepaid items	8,000	-	-	8,000
<b>TOTAL ASSETS</b>	<u>23,239,615</u>	<u>14,042,674</u>	<u>6,547,008</u>	<u>43,829,297</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	420,754	5,218	123,502	549,474
Contracts payable	-	818,396	199,062	1,017,458
Payroll deductions, withholdings, and accrued salaries payable	4,196,714	-	449,937	4,646,651
Interfund payables	-	-	692,950	692,950
Deposits due others	-	-	11,705	11,705
<b>Total Liabilities</b>	<u>4,617,468</u>	<u>823,614</u>	<u>1,477,156</u>	<u>6,918,238</u>
<b>FUND BALANCES</b>				
Reserved	1,337,347	-	-	1,337,347
Unreserved:				
Designated	1,284,821	-	-	1,284,821
Undesignated reported in:				
General fund	15,999,979	-	-	15,999,979
Special revenue funds	-	-	1,273,993	1,273,993
Debt service funds	-	-	2,735,461	2,735,461
Capital projects funds	-	13,219,060	1,060,398	14,279,458
<b>Total Fund Balances</b>	<u>18,622,147</u>	<u>13,219,060</u>	<u>5,069,852</u>	<u>36,911,059</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 23,239,615</u>	<u>\$ 14,042,674</u>	<u>\$ 6,547,008</u>	<u>\$ 43,829,297</u>

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH SCHOOL BOARD  
Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Assets  
June 30, 2003

Statement D

**Total Ending Fund Balances - Governmental Funds (Statement C)** \$ 36,911,059

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Costs of capital assets	51,228,998	
Accumulated depreciation	<u>(28,312,950)</u>	22,916,048

Bond issue costs are not financial resources and therefore are not reported as assets in governmental funds.

Bond issue costs	271,171	
Accumulated amortization	<u>(46,791)</u>	224,380

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Bonds payable	27,679,000	
Interest payable	447,205	
Compensated absences payable (sick leave and vacations)	<u>2,275,914</u>	(30,402,119)

**Net Assets (Statement A)** \$ 29,649,368

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**
**GOVERNMENTAL FUNDS**
**Statement of Revenues, Expenditures, and Changes in Fund Balances**
**For the Year Ended June 30, 2003**
**Statement E  
(Continued)**

	<u>General Fund</u>	<u>School District No. 2 Capital Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 1,793,949	\$ -	\$ 3,385,953	\$ 5,179,902
Sales and use taxes	6,690,213	-	993,934	7,684,147
Parish contribution to retirement fund	115,033	-	-	115,033
Collection fees from municipalities	99,618	-	-	99,618
Tuition	171,667	-	-	171,667
Interest earnings	305,721	147,944	76,721	530,386
Food services	-	-	471,213	471,213
Other local revenue	368,437	-	37,820	406,257
State sources:				
Equalization	23,812,344	-	750,000	24,562,344
Restricted grants-in-aid	852,544	-	48,042	900,586
Revenue sharing	211,551	-	81,310	292,861
Other state revenues	19,689	-	-	19,689
Federal sources	49,030	-	5,370,256	5,419,286
Total Revenues	<u>34,489,796</u>	<u>147,944</u>	<u>11,215,249</u>	<u>45,852,989</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	15,309,310	-	329,235	15,638,545
Special education programs	4,365,646	-	650,815	5,016,461
Vocational programs	1,251,337	-	91,071	1,342,408
All other instructional programs	571,169	-	1,436,570	2,007,739
Support services:				
Student services	1,659,992	-	240,089	1,900,081
Instructional staff support	1,712,270	-	884,926	2,597,196
General administration	892,075	5,842	110,773	1,008,690
School administration	2,662,155	-	48,328	2,710,483
Business services	463,455	87,893	22,459	573,807
Plant operation and maintenance	2,829,050	-	894,273	3,723,323
Student transportation services	1,681,462	-	49,758	1,731,220
Central services	246,737	-	87,498	334,235
Non-instructional services:				
Food services	362,972	-	2,857,066	3,220,038
Community service programs	76,991	-	-	76,991
Intergovernmental	-	765,375	81,650	847,025
Facilities acquisition and construction	-	3,069,935	2,522,800	5,592,735
Debt service:				
Principal retirement	-	-	751,000	751,000
Interest	-	-	1,023,626	1,023,626
Total expenditures	<u>34,084,621</u>	<u>3,929,045</u>	<u>12,081,937</u>	<u>50,095,603</u>

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**GOVERNMENTAL FUNDS**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2003**

**Statement E**  
**(Concluded)**

	<u>General</u>	<u>School Distri No. 2 Capital Project</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>405,175</u>	<u>(3,781,101)</u>	<u>(866,688)</u>	<u>(4,242,614)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Indirect costs	186,982	-	(186,982)	-
Proceeds from sale of bonds	-	7,000,000	1,000,000	8,000,000
Proceeds from sale of fixed assets	-	-	8,100	8,100
Total other financing sources (uses)	<u>186,982</u>	<u>7,000,000</u>	<u>821,118</u>	<u>8,008,100</u>
NET CHANGES IN FUND BALANCES	592,157	3,218,899	(45,570)	3,765,486
FUND BALANCES BEGINNING OF YEAR	<u>18,029,990</u>	<u>10,000,161</u>	<u>5,115,422</u>	<u>33,145,573</u>
FUND BALANCES END OF YEAR	<u>\$ 18,622,147</u>	<u>\$ 13,219,060</u>	<u>\$ 5,069,852</u>	<u>\$ 36,911,059</u>

The accompanying notes are an integral part of this statement.



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Assets**  
**June 30, 2003**

**Statement F**

**Total Net Change in Fund Balances - Governmental Funds (Statement E)** **\$ 3,765,486**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the period:

Depreciation expense	(1,273,792)	
Capital outlays	<u>6,028,792</u>	4,755,000

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not current financial resources.		303,100
---	--	---------

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. The amount by which proceeds exceeded repayments was derived as follows:

General obligation debt issued	(8,000,000)	
General obligation debt repayments to bondholders	<u>751,000</u>	(7,249,000)

In the statement of activities, certain operating expenses - compensated absences (sick leave and vacations) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, sick leave and vacation pay earned exceeded the amounts used as follows:

Compensated absences used / paid	129,692	
Compensated absences earned	<u>(53,721)</u>	75,971

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the statement of activities is the net result of two factors as follows:

Increase in accrued interest payable	(152,637)	
Amortization of bond issue cost	<u>(12,823)</u>	(165,460)

Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The current period amortization of all bond issue cost is shown as an adjustment to interest expense above. This amount is the current period bond issue costs which have been deferred.

107,874

**Change in Net Assets of Governmental Activities (Statement B)** **\$ 1,592,971**

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH SCHOOL BOARD  
FIDUCIARY FUNDS  
Statement of Fiduciary Net Assets  
June 30, 2003

Statement G

	Total Agency Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,324,245
Investments	63,142
<b>TOTAL ASSETS</b>	<b>\$ <u>1,387,387</u></b>
<b>LIABILITIES</b>	
Due to other governments	\$ 401,972
Deposits due others	985,415
<b>TOTAL LIABILITIES</b>	<b>\$ <u>1,387,387</u></b>

The accompanying notes are an integral part of this statement.

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

# JEFFERSON DAVIS PARISH SCHOOL BOARD

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### INTRODUCTION

The Jefferson Davis Parish School Board (the School Board) was created by Louisiana Revised Statute (R.S.) 17:51 to provide public education for the children within Jefferson Davis Parish. The School Board is authorized by R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of 13 members who are elected from 13 districts for terms of four years.

The school system is comprised of a central office, 14 schools, and 4 educational support facilities (Lunch Service Warehouse, Media Center, Pupil Appraisal Center, and Technology & Maintenance Center). Enrollment as of October, 2002 was approximately 5,693 regular and special education students. The School Board employs approximately 800 persons, providing instructional and ancillary support such as general administration, repair and maintenance, food services, bus transportation, etc. The regular school term normally begins in late August and ends in late May.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of GASB Statement 14, the School Board is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Based on the criteria of GASB Statement 14, the School Board has no *component units*, defined as other legally separate organizations for which the elected School Board members are financially accountable, which are required to be included in the accompanying financial statements.

#### B. Basis of Presentation

##### Government-Wide Financial Statements

During the current year, the School Board adopted the provisions of GASB Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. See Note 21 for additional information.

The government-wide financial statements (GWFS) report information on all of the nonfiduciary activities of the School Board. For the most part, the effect of interfund activity has been removed from these statements.

The statement of net assets presents information on all of the School Board’s assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the School Board is improving or deteriorating.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. Depreciation expense which can be specifically

## JEFFERSON DAVIS PARISH SCHOOL BOARD

### NOTES TO THE BASIC FINANCIAL STATEMENTS

identified by function is included in the direct expense of each function. The School Board reports all building depreciation separately as an unallocated indirect expense since most of the buildings serve more than just a few functions. Interest on long-term bonded debt is considered an indirect expense and is reported separately on the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

#### **Fund Financial Statements**

Separate fund financial statements (FFS) are provided for governmental funds and fiduciary funds, even though the latter are excluded from the GWFS. Major individual governmental funds are reported as separate columns in the fund financial statements.

The accounts of the School Board are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The various funds are summarized by type in the financial statements. The following fund types are used by the School Board:

**Governmental Funds.** Governmental funds are those through which most governmental functions of the School Board are financed. The acquisition, use, and balances of the School Board's expendable financial resources and the related liabilities are accounted for through governmental funds. The School Board reports the following major governmental funds:

*General Fund* – The General Fund is the general operating fund of the School Board. It is used to account for all financial resources except those required to be accounted for in another fund.

*School District No. 2 Capital Project Fund* – This fund is used to account for the financial resources to be used for the acquisition or construction of capital facilities in School District No. 2 not reported in other governmental funds.

Additionally the School Board reports nonmajor funds in the following fund types:

*Special Revenue Funds* – are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

*Debt Service Funds* – are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. These funds receive dedicated ad valorem taxes and a dedicated portion of sales taxes paid to the School Board.

*Capital Projects Funds* – account for financial resources received and used for the acquisition, construction, or improvement of major capital facilities not reported in other governmental funds.

**Fiduciary Funds.** Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. Fiduciary funds include:

*Agency Funds* – The Agency Funds are used to account for assets held by the School Board as an agent for other parties. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The *School Activity Agency Fund* accounts for monies collected by students and school personnel for school or school-related purposes and the *Sales and Use Tax*



## **JEFFERSON DAVIS PARISH SCHOOL BOARD**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS**

*Agency Fund* accounts for the collection of sales and use taxes, which are accumulated and distributed monthly for several other governmental agencies, the General Fund, and the Sales Tax District No. 1 Debt Service Fund.

#### **C. Basis of Accounting and Measurement Focus**

##### **Government-Wide Financial Statements (GWFS)**

The statement of net assets and the statement of activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirement of GASB Statement 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

##### **Fund Financial Statements (FFS)**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decrease (expenditures and other financing uses) in net current assets.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds (General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds) are maintained on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., when both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose the School Board considers revenues to be "available" if they are collected within 60 days of the end of the current fiscal period.

Revenues which are susceptible to accrual are ad valorem taxes, sales taxes and investment income. Food services and miscellaneous other revenues are recorded as revenues when earned. Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. For other intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. In reimbursement-type programs, monies must be expended on a specific purpose or project before any amounts will be paid to the School Board; therefore, revenues are recognized based upon the expenditures recorded. In other programs in which monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements, the resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is the principal and interest on general long-term debt which is recognized when due. As of year end, all instructional related salaries for July and August related to nine-month contracted employees who are paid over twelve months have been accrued because the salaries have been earned but not paid.



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

Compensated absences are recognized as expenditures when the benefit earned by the employee has matured. The matured liability for compensated absences, which includes salary and salary related payments, is reported in the associated fund.

Transfers between funds that are not expected to be repaid, long-term debt proceeds, proceeds from capital lease transactions, proceeds from sale of fixed assets, and debt extinguishments are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

**D. Cash and Equivalents**

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of ninety days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**E. Investments**

Investments are limited by R.S. 33:2955 and the Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

When investments are present in the financial statements they are reflected at fair value except for the following which are permitted per GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*:

- 1) Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure. Interest-earning investment contracts include time deposits with financial institutions (such certificates of deposit), repurchase agreements, and guaranteed investment contracts.
- 2) Money-market investments and *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less are reported at amortized cost. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

**F. Short-term Interfund Receivables /Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables/payables on the FFS balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

**G. Elimination and Reclassifications**

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the FFS were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**H. Inventories**

Inventories in the General Fund consist of materials and supplies. Inventory of the School Lunch Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry.

In the FFS and GWFS inventories of governmental funds are accounted for using the consumption method in which expenditures are recognized as inventory is used. Unused commodities at June 30<sup>th</sup> are reported as deferred revenues. All purchased inventory items are valued at cost (first-in, first-out) and commodities are assigned values based on information provided by the United States Department of Agriculture.

**I. Capital Assets**

Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets are recorded in the GWFS, but not in the FFS, at their estimated fair value at the date of donation. The School Board maintains a threshold level for capitalization of \$1,000. Capital assets are reported in the GWFS, but not reported in the FFS, since they do not represent available current resources. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial. Straight-line depreciation is calculated based on the following estimated useful lives:

Buildings	25-50 years
Furniture and equipment	5-20 years
Vehicles	8 years

The School Board does not possess any material amounts of infrastructure capital assets, such as roads and bridges.

**J. Compensated Absences**

The Board has the following policies relating to vacation, sick, and sabbatical leave:

- 1) Vacation – Professional employees on a twelve month basis who have been in the parish system for ten or more calendar years, earn a three week vacation each calendar year, subject to approval by the Superintendent. All other twelve month professional employees are eligible for a two week vacation, provided they have been employed in the system for at least one calendar year. Vacation time can not be accumulated from year to year. Employees who terminate employment will be paid their daily rate of regular pay for all days of unused vacation leave to which the employee is entitled within the current calendar year.
- 2) Sick Leave – Employees are granted from ten to eighteen days of sick leave each year depending on classification and month employed during first year. Such leave, when not used, shall be allowed to accumulate to the credit of the employee without limitation. Upon retirement or death, employees are paid for any unused sick leave up to a maximum of twenty-five days at their current daily rate of pay. Under Louisiana Teachers' Retirement System and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.
- 3) Sabbatical Leave - Sabbatical leave may be granted for medical reasons and for professional and cultural improvement. Any employee with a teaching certificate and any social worker or

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school psychologist who holds a valid auxiliary certificate in school work or school psychology is entitled, subject to approval by the Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service.

Only unused vacation leave to which the employee is entitled within the current calendar year is accrued as a liability at fiscal year end. An accrual for sick leave is made based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. Sabbatical leave is not accrued since it is considered leave for service during the period of the leave and therefore not a liability reportable in advance of the sabbatical pursuant to GASB Statement 16, *Accounting for Compensated Absences*.

In the FFS, the matured (the amount that is expected to be paid with current financial resources) liability for compensated absences, which includes salary and salary related payments, is reported in the fund from which the employees who have accumulated leave are paid. The amount not expected to be paid with current resources is not reported in the FFS. The entire compensated absence liability is reported in the GWFS.

**K. Long-Term Liabilities**

In the GWFS, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond discounts and issuance costs are deferred and amortized over the life of the bonds.

Long-term debt for governmental funds is not reported as liabilities in the FFS. The debt proceeds are reported as other financing sources and the payment of principle and interest is reported as expenditures. Governmental fund types recognize bond discounts and issuance costs during the current period. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**L. Restricted Net Assets**

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

- 1) Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
- 2) Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the School Board's policy to use restricted resources first, then unrestricted resources as they are needed.

**M. Fund Equity of Fund Financial Statements**

In the FFS, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans for future use of financial resources that are subject to change.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**N. Extraordinary and Special Items**

Extraordinary items, although not present in the accompanying financial statements, are transactions or events that are both unusual in nature and infrequent in occurrence. Special items reported in the accompanying financial statements are transactions or events within the control of the School Board, which are either unusual in nature or infrequent in occurrence.

**O. Interfund Transactions**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as operating transfers in the FFS.

**P. Sales Taxes**

Sales taxes are collected on a monthly basis by the Board's Sales Tax Department. The School Board receives sales tax revenue from the following three sales taxes:

- 1) An ordinance dated December 2, 1965, which was approved by the voters of the parish authorizes the Board to collect, for an indefinite period beginning January 1, 1966, a 1% sales and use tax to be used exclusively to supplement other revenues available to the Board for payment of salaries of teachers and for operating expenses of schools including payment of salaries of other personnel employed in addition to teachers.
- 2) Another ordinance dated June 19, 1997, was approved by the voters of the parish authorizing the Board to collect, for a period of ten years from December 1, 1997, an additional 1% sales and use tax to be used to supplement other revenues available to the Board for payment of salaries of teachers and for operating expenses of schools including payment of salaries of other personnel employed in addition to teachers.
- 3) An additional ordinance dated September 13, 2001, was approved by the voters of School District No.2 authorizing the Board to collect, for a period of 25 years from January 1, 2002, an additional ½% sales and use tax to be used to pay a portion of the costs of constructing and improving public school buildings and facilities, acquiring land, equipment, and furnishings and/or use the proceeds of the tax to pay any bonded or funded indebtedness of the District.

**Q. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, expenses, and other financing sources and uses during the reporting period. Actual results could differ from those estimates.



**JEFFERSON DAVIS PARISH SCHOOL BOARD  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 2003:

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$ 33,907,442	\$ 34,084,024	\$ 34,084,621	\$ 597
Special Revenue Funds:				
School District #C1 Maintenance	157,114	167,158	183,471	16,313
School District #1 Maintenance	198,074	242,032	256,383	14,351
School District #2 Maintenance	358,217	491,112	508,606	17,494
School District #3 Maintenance	51,463	61,632	64,833	3,201
School District #5 Maintenance	38,426	44,843	44,975	132
School District #8 Maintenance	44,049	53,093	70,029	16,936
School District #22 Maintenance	87,885	86,798	110,604	23,806
IDEA Preschool	53,414	47,431	51,177	3,746
Other Federal Programs	301,631	298,815	321,527	22,712
IDEA	777,564	908,494	942,147	33,653
Migrant Education	185,444	169,025	181,766	12,741
Title II	504,624	511,023	545,219	34,196

Pursuant to Louisiana Budget Act, none of the above unfavorable variances are considered noncompliance since they fall below the five percent adverse variance statutory threshold, meet the less than \$250,000 of anticipated expenditure amount exception, or they are contained in expenditure driven revenue recognition funds such as Federal grant expenditure reimbursement programs.

**3. LEVIED TAXES**

The School Board levies taxes on real and business personal property located within Jefferson Davis Parish's boundaries. Property taxes are levied by the School Board on property values at January 1 assessed by the Jefferson Davis Parish Tax Assessor and approved by the State of Louisiana Tax Commission upon submission of the tax roll.

The Jefferson Davis Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly:

<u>Property Tax Calendar</u>	
Assessment date	January 1 <sup>st</sup>
Levy date	Not later than June 1 <sup>st</sup>
Tax bills mailed	On or about November 15 <sup>th</sup>
Due date	December 31 <sup>st</sup>
Penalties and interest are added	January 1 <sup>st</sup>
Lien date	January 1 <sup>st</sup>
Tax sale – delinquent property	During June

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
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Assessed values are established by the Jefferson Davis Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2002. Total assessed value was \$140,088,350 for the calendar year 2002. Louisiana State law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$35,182,429 of the assessed value in calendar year 2002.

The following is a summary of authorized and levied (tax rate per \$1,000 assessed value) ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
<b>Parish-wide Taxes:</b>			
Constitutional	6.48	6.48	Statutory
Special School	10.77	10.77	2007
<b>School District No. 1:</b>			
Maintenance	12.45	12.45	2012
Maintenance-Special	9.00	9.00	2009
Bonds	19.00	19.00	2005
<b>School District No. 2:</b>			
Maintenance	11.85	11.85	2012
Bonds	21.25	21.25	2021
<b>School District No. 3:</b>			
Maintenance	14.00	14.00	2010
Bonds	15.50	15.50	2020
<b>School District No. 5:</b>			
Maintenance	4.02	4.02	2012
Bonds	7.25	7.25	2021
<b>School District No. 8:</b>			
Maintenance	8.61	8.61	2012
Bonds	26.00	26.00	2004
<b>School District No. 22 (Allen Parish also):</b>			
Maintenance	11.98	11.98	2012
Bonds	24.50	24.50	2020
<b>Consolidated School District No. 1</b>			
Maintenance	11.66	11.66	2012
Bonds	22.50	22.50	2019



**JEFFERSON DAVIS PARISH SCHOOL BOARD  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**4. DEPOSITS – CASH AND CASH EQUIVALENTS**

At June 30, 2003, the Board has cash and cash equivalents (book balances) totaling \$41,936,784 as follows:

Interest-bearing demand deposits	\$	41,803,054
Certificates of Deposits		133,480
Other		250
Total	\$	<u>41,936,784</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2003, the Board has \$43,017,694 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$42,817,694 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the school board that the fiscal agent has failed to pay deposited funds upon demand.

**5. INVESTMENTS**

Investments are categorized into these three categories of credit risk:

- 1) Insured or registered, or securities held by the school board or its agent in the Board's name
- 2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Board's name
- 3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Board's name

At fiscal year-end, the Board's investment balances were as follows:

<u>Investment Type</u>	<u>Category 1</u>	<u>Category 3</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Certificates of deposit	\$ 63,142	\$ -	\$ 63,142	\$ 63,142
Total	<u>\$ 63,142</u>	<u>\$ -</u>	<u>\$ 63,142</u>	<u>\$ 63,142</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**6. RECEIVABLES**

The receivables at June 30, 2003 for the School Board's major and nonmajor funds are as follows:

<u>Class of Receivable</u>	<u>General Funds</u>	<u>School District No. 2 Capital Project Fund</u>	<u>Other Nonmajor Governmental</u>	<u>Total</u>
Taxes:				
Ad valorem	\$ 8,886	\$ -	\$ 13,316	\$ 22,202
Sales and use	610,813	-	87,266	698,079
Intergovernmental:				
Federal	-	-	994,255	994,255
State	347,767	-	-	347,767
Other	14,867	-	2,072	16,939
Total	\$ <u>982,333</u>	\$ <u>-</u>	\$ <u>1,096,909</u>	\$ <u>2,079,242</u>

There were no allowances for uncollectible accounts as of June 30, 2003.

**7. CAPITAL ASSETS**

A summary of changes in capital assets is a follows:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance Ending</u>
Capital assets not being depreciated:				
Land	\$ 1,168,485	\$ 400,000	\$ -	\$ 1,568,485
Construction in progress	406,800	3,132,357	406,800	3,132,357
Total capital assets not being depreciated	<u>1,575,285</u>	<u>3,532,357</u>	<u>406,800</u>	<u>4,700,842</u>
Capital assets being depreciated:				
Buildings and improvements	36,143,011	2,309,732	82,982	38,369,761
Furniture and equipment	5,666,942	489,803	27,539	6,129,206
Transportation equipment	2,029,189	-	-	2,029,189
Total capital assets being depreciated	<u>43,839,142</u>	<u>2,799,535</u>	<u>110,521</u>	<u>46,528,156</u>
Less accumulated depreciation for:				
Buildings and improvements	22,226,219	580,510	81,258	22,725,471
Furniture and equipment	3,577,883	531,938	27,539	4,082,282
Transportation equipment	1,343,853	161,344	-	1,505,197
Total accumulated depreciation	<u>27,147,955</u>	<u>1,273,792</u>	<u>108,797</u>	<u>28,312,950</u>
Total capital assets being depreciated, net	<u>16,691,187</u>	<u>1,525,743</u>	<u>1,724</u>	<u>18,215,206</u>
Capital assets, net	\$ <u>18,266,472</u>	\$ <u>5,058,100</u>	\$ <u>408,524</u>	\$ <u>22,916,048</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
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Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular instruction	\$ 243,368
Special educational instruction	65,248
Vocational instruction	57,762
All other instructional programs	5,751
Support services:	
Pupil support services	2,328
Instructional staff	68,037
General administration	3,337
School administration	9,591
Business services	3,681
Operational and maintenance	55,502
Student transportation	140,257
Central services	1,252
Non-instructional services:	
Food services	35,179
Unallocated building depreciation	<u>582,499</u>
 Total depreciation expense	 <u>\$ 1,273,792</u>

**8. RETIREMENT SYSTEMS**

Substantially all employees of the Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

**A. Teachers' Retirement System of Louisiana (TRS)**

**Plan Description.** The TRS consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

**Funding Policy.** Plan members are required to contribute 8.0%, 8.0%, and 8.0% of their annual covered salary for the Regular Plan and Plan A, and 5.0%, 8.0%, and 8.0% for Plan B, for 2003, 2002, and 2001 respectively. The school board is required to contribute at an actuarially determined rate. The current rate is 13.1%, 13.1%, and 14.2% of annual covered payroll for the three membership plans, respectively. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The school board's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the school board.

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
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The school board's contributions to the TRS for the years ending June 30, 2003, 2002, and 2001, were \$2,925,684, \$2,758,104, and \$2,370,866, respectively, equal to the required contributions for each year.

**B. Louisiana School Employees' Retirement System (LASERS)**

**Plan Description.** The LASERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LASERS issues a publicly available financial report that includes financial statements and required supplementary information for the LASERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

**Funding Policy.** Plan members are required to contribute 7.5% of their annual covered salary to the plan for 2003 and 7.5% for 2002, 6.35% for 2001. The School Board was required to contribute 6% of covered employees' salaries for 2002, 2001, and 2000. However, due to the passage of L.R.S. 11:102(B)(2)(b)(ii) [House Bill 2174], employer contributions for the year ended June 30, 2003, 2002, and 2001 were funded 100% from the Employer Credit Account and not by the School Board. The amount contributed on behalf of the School Board for 2003 amounted to \$106,443. Member contributions and employer contributions for the LASERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee.

**9. OTHER POST-EMPLOYMENT BENEFITS**

In accordance with State statutes, the School Board provides continuing health care and life insurance benefits for its retired employees. The School Board voluntarily funds an additional portion of retirees group health and life insurance coverage under a motion originally passed on April 3, 1980, which was last amended on June 20, 1996. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees were provided through a fully insured program, whose monthly premiums are paid jointly by the employees and the School Board. The School Board recognizes the cost of providing these benefits (the Board's portion of premiums) as an expenditure when the monthly premiums are due.

No provision for the unfunded portion of the Board's future liability has been made in the accompanying financial statements.

The portion of these costs paid for by the School Board for these benefits totaled \$1,662,361 (mandated by State statute \$1,531,851 and voluntarily under Board motion \$130,510) for 2003, while the employees paid \$334,885. At June 30, 2003, 372 former employees were qualified to receive such benefits.

**10. COMPENSATED ABSENCES**

At June 30, 2003, employees of the Board have accumulated and vested \$2,275,914 of employee leave benefits, which was computed in accordance with GASB *Codification Section C60*.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**11. LONG-TERM LIABILITIES**

The following is a summary of long-term liability activity for the year ended June 30, 2003:

	Balance			Balance		Due Within
	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u>		<u>One Year</u>
Compensated absences	\$ 2,351,885	\$ 53,721	\$ 129,692	\$ 2,275,914	\$	127,950
General obligation bonds	20,430,000	8,000,000	751,000	27,679,000		1,230,000
Governmental activity long-term liabilities	\$ 22,781,885	\$ 8,053,721	\$ 880,692	\$ 29,954,914	\$	1,357,950

Payments on general obligation bonds payable that pertain to the School Board's governmental activities are made by the debt service funds. The compensated absences are liquidated by the fund where the salary costs originated.

All School Board bonds outstanding at June 30, 2003, are general obligation bonds. The following table lists the pertinent information on each outstanding issue:

<u>Date of Issuance</u>	<u>School District Number</u>	<u>Maturity Date</u>	<u>Interest Rate %</u>	<u>Original Amount of Issue</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>	<u>Funding Source</u>
3/25/93	1	Mar-06	3.35 to 5.70	\$2,285,000	\$ 91,915	\$ 800,000	Ad Valorem
4/1/02	2	Mar-22	4.20 to 5.20	10,000,000	5,275,368	9,900,000	Ad Valorem & Sales Tax
3/1/03	2	Mar-23	3.80 to 4.80	7,000,000	3,563,165	7,000,000	Ad Valorem & Sales Tax
10/1/98	3	Feb-10	4.8	268,000	41,376	204,000	Ad Valorem
6/1/01	3	Mar-21	4.25 to 6.00	545,000	283,798	525,000	Ad Valorem
8/1/02	5	Mar-22	4.70 to 5.70	1,000,000	560,905	975,000	Ad Valorem
9/1/91	8	Mar-05	4.70 to 6.65	805,000	19,570	195,000	Ad Valorem
5/1/00	8	Mar-20	6.30 to 5.75	1,500,000	833,806	1,410,000	Ad Valorem
9/1/01	22	Mar-21	4.25 to 6.00	2,600,000	1,307,318	2,445,000	Ad Valorem
7/1/00	C1	Mar-20	5.50 to 6.50	4,500,000	2,560,768	4,225,000	Ad Valorem
					<u>\$14,537,989</u>	<u>\$27,679,000</u>	

At June 30, 2003, the School Board has accumulated \$2,735,461 in the debt service funds for future debt requirements. The future requirements to amortize bond debt are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 1,230,000	\$ 1,361,923	\$ 2,591,923
2005	1,300,000	1,293,563	2,593,563
2006	1,264,000	1,220,673	2,484,673
2007	1,034,000	1,150,666	2,184,666
2008	1,093,000	1,093,839	2,186,839
2009-2013	6,283,000	4,582,565	10,865,565
2014-2018	8,105,000	2,956,578	11,061,578
2019-2023	7,370,000	878,182	8,248,182
	<u>\$ 27,679,000</u>	<u>\$ 14,537,989</u>	<u>\$ 42,216,989</u>



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
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In accordance with R.S. 39:562 (L), the School Board is legally restricted from incurring long-term bonded debt in excess of 50% of the assessed value of taxable property. At June 30, 2003, the parish-wide statutory limit is \$70,044,175 and outstanding bonded debt totals \$27,679,000.

**12. OTHER INDIVIDUAL FUND DISCLOSURES (FFS Level Only)**

**A. Interfund Receivables and Payables**

Interfund balances at June 30, 2003 were as follows:

Due To	Due From			Total
	General Funds	District No.2 Capital Project Fund	Other Nonmajor Governmental	
School Lunch	\$ 11,391	\$ -	\$ -	\$ 11,391
District #2 Maintenance	42	-	-	42
District #5 Maintenance	17	-	-	17
District #22 Maintenance	113	-	-	113
IDEA-Preschool	27,646	-	-	27,646
Other Federal Funds	47,974	-	-	47,974
IDEA	313,687	-	-	313,687
Title I	110,747	-	-	110,747
Migrant	11,020	-	-	11,020
Title V	895	-	-	895
Title I Carryover	24,182	-	-	24,182
Title II	144,224	-	-	144,224
Title IV	1,012	-	-	1,012
	<u>\$ 692,950</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 692,950</u>

Of the \$11,391 balance that School Lunch owes General Fund, \$7,736 represents the remaining balance of loan to repair a delivery truck. The remaining balance is being repaid in monthly installments of \$1,547.22.

All remaining balances resulted from the timing lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**B. Interfund Transfers**

Transfer Out	Transfer In			Total
	General Funds	District No.2 Capital Project Fund	Other Nonmajor Governmental	
<b>Indirect Cost Payments:</b>				
IDEA-Preschool	\$ 1,993	\$ -	\$ -	\$ 1,993
Other Special Education	173	-	-	173
Other Federal Funds	2,348	-	-	2,348
IDEA	48,098	-	-	48,098
Title I	81,135	-	-	81,135
Title I Carryover	13,224	-	-	13,224
Migrant	5,721	-	-	5,721
Title V	2,110	-	-	2,110
Title IV Drug Free Schools	749	-	-	749
Title II	31,431	-	-	31,431
	<u>\$ 186,982</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 186,982</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Indirect costs transfers, are identified separately in the accompanying financial statements to demonstrate the amount of transfers made from the various Federal programs to the General Fund for allowable indirect costs.

**13. RESERVED AND DESIGNATED FUND BALANCES (FFS Level Only)**

Reserves in the governmental funds represent portions of fund balance which are not appropriable for expenditure or is legally segregated for specific future uses, while designations of fund balance represent tentative plans for financial resource utilization in a future period. Reserves and designations of fund balance at June 30, 2003, are as follows:

	General Funds	District No. 2 Capital Project Fund	Other Nonmajor Governmental	Total
<u>Reserved for:</u>				
Inventory	\$ 329,347	\$ -	\$ -	\$ 329,347
Prepaid items	8,000	-	-	8,000
Insurance contingencies	1,000,000	-	-	1,000,000
	<u>\$ 1,337,347</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,337,347</u>
<u>Designated for:</u>				
Bus replacement	\$ 1,284,821	\$ -	\$ -	\$ 1,284,821
	<u>\$ 1,284,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,284,821</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**14. RISK MANAGEMENT**

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Board continues to be self insured for all workers compensation claims that arose prior to July 1, 1998, for the period during which the Board was self insured for claims up to \$35,000. Claims for workers compensation are handled through a contracted claims agent which handles the claims administration for the Board. Settled claims are reported as an expense in the General Fund. There were \$105,457 in settlements recorded in the financial statements for the current fiscal year. In addition, no provision has been made for claims that have occurred prior to moving coverage in this area to a commercial carrier. The Board has reserved \$1,000,000 of the General Fund balance to cover potential workers compensation insurance losses in excess of contracted coverages while self insured. Subsequent to July 1, 1998, the Board obtained coverage for workers compensation through a commercial insurance company.

Other risks of loss are managed through commercial insurance coverage. Settled claims resulting from these risks covered by commercial insurance have not exceeded coverage in the past three fiscal years.

**15. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES**

Retirement plan payments in the amount of \$115,033 were made by the Sheriff, acting in his capacity as Ex-Officio Tax Collector, to the Teacher's Retirement System of the State of Louisiana on behalf of the Board. These remittances represent a portion of the ad valorem taxes and state revenue sharing collections which are statutorily set aside for payment to the Teacher's Retirement System on behalf of the Board. These on-behalf payments have been recorded in the accompanying financial statements, in accordance with GASB Statement 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* as revenues and expenditures in the General Fund.

**16. CONTINGENCIES**

**Litigation.** The Board is the defendant in a number of lawsuits. Legal counsel has determined that potential liability to the Board cannot be determined or is covered by commercial insurance as of the issuance date of these financial statements. Accordingly, no provision for losses, exceeding available insurance coverage, has been recorded in the accompanying financial statements.

**Grant Disallowances.** The Board participates in a number of Federal Financial Assistance Programs. These programs are subject to further financial and compliance audits by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. Based on prior experience, the Board feels such amounts, if any, to be immaterial to the financial statements.

**Tax Arbitrage Rebate.** Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service. Management believes there is no tax arbitrage rebate liability at year end.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**17. COMMITMENTS**

As of June 30, 2003, the Board had the following remaining construction in progress and building improvement commitments:

<u>Project Location</u>	<u>Project Authorization</u>	<u>Expended thru June 30, 2003</u>	<u>Remaining Commitment</u>
School District #2:			
New Jennings High Construction	\$ 21,023,000	\$ 1,898,218	\$ 19,124,782
School District #5:			
Fenton School Renovations	851,187	133,444	717,743
School District #22			
Elton Elementary Renovations	1,171,882	1,113,288	58,594
	<u>\$ 23,046,069</u>	<u>\$ 3,144,950</u>	<u>\$ 19,901,119</u>

**18. PASS-THROUGH GRANTS**

The Board serves as sponsor for various local governmental agencies within the Southwest Louisiana region that participate in federal awards funds in the amount of \$81,650 received through a Migrant Education Grant. In accordance with GASB Statement 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, these amounts have been recorded in the accompanying financial statements as federal source revenues and intergovernmental expenditures.

**19. ECONOMIC DEPENDENCE**

The Board has one taxpayer that accounts for more than 10% of total sales tax collections revenues reported in the accompanying financial statements.

**20. CHANGES IN ACCOUNTING PRINCIPLES**

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- 1) For the first time the financial statements include:

A Management Discussion and Analysis (MD&A) section providing an analysis of the School Board's overall financial position and results of operations.

Government-wide financial statements prepared using full accrual accounting for all of the School Board's activities.

- 2) A change in the fund financial statements to focus on the major funds

**21. SUBSEQUENT EVENTS**

Subsequent to June 30, 2003, Sales Tax District #1 will issue an additional \$7,000,000 in sales tax bonds to be repaid by collections of a one half cent sales tax which became effective January 1, 2002.

## **REQUIRED SUPPLEMENTAL INFORMATION**

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**GENERAL FUND**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2003**

**Schedule 1**  
**(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 1,550,000	\$ 1,787,200	\$ 1,793,949	\$ 6,749
Sales and use taxes	6,500,000	6,680,349	6,690,213	9,864
Parish contribution to retirement fund	90,000	100,000	115,033	15,033
Collection fees from municipalities	84,000	96,864	99,618	2,754
Tuition	150,000	163,808	171,667	7,859
Interest earnings	450,000	327,777	305,721	(22,056)
Food services	-	-	-	-
Other local revenue	205,581	298,143	368,437	70,294
State sources:				
Equalization	22,769,893	23,812,344	23,812,344	-
Restricted grants-in-aid	599,039	663,060	852,544	189,484
Revenue sharing	206,000	211,551	211,551	-
Other state revenues	22,629	79,659	19,689	(59,970)
Federal sources		-	49,030	49,030
Total revenues	<u>32,627,142</u>	<u>34,220,755</u>	<u>34,489,796</u>	<u>269,041</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	15,072,919	15,395,574	15,309,310	86,264
Special education programs	4,376,668	4,360,506	4,365,646	(5,140)
Vocational programs	1,185,994	1,244,051	1,251,337	(7,286)
All other instructional programs	606,166	599,294	571,169	28,125
Support services:				
Student services	1,690,840	1,652,043	1,659,992	(7,949)
Instructional staff support	1,775,096	1,719,130	1,712,270	6,860
General administration	821,402	881,355	892,075	(10,720)
School administration	2,730,161	2,669,919	2,662,155	7,764
Business services	424,911	428,286	463,455	(35,169)
Plant operation and maintenance	2,822,655	2,770,912	2,829,050	(58,138)
Student transportation services	1,744,007	1,675,756	1,681,462	(5,706)
Central services	233,380	243,416	246,737	(3,321)
Non-instructional services:				
Food services	397,643	366,420	362,972	3,448
Community service programs	25,600	77,362	76,991	371
Intergovernmental	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest, fiscal charges, and issue costs	-	-	-	-
Total expenditures	<u>33,907,442</u>	<u>34,084,024</u>	<u>34,084,621</u>	<u>(597)</u>

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**GENERAL FUND**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2003**

**Schedule 1**  
**(Concluded)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(1,280,300)</u>	<u>136,731</u>	<u>405,175</u>	<u>268,444</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Indirect costs	125,000	125,000	186,982	61,982
Proceeds from sale of bonds	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-
Total other financing sources (uses)	<u>125,000</u>	<u>125,000</u>	<u>186,982</u>	<u>61,982</u>
NET CHANGES IN FUND BALANCES	<u>(1,155,300)</u>	<u>261,731</u>	<u>592,157</u>	<u>330,426</u>
FUND BALANCES BEGINNING OF YEAR	<u>15,852,684</u>	<u>15,852,684</u>	<u>18,029,990</u>	<u>2,177,306</u>
FUND BALANCES END OF YEAR	<u>\$ 14,697,384</u>	<u>\$ 16,114,415</u>	<u>\$ 18,622,147</u>	<u>\$ 2,507,732</u>

The accompanying notes are an integral part of this statement.



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Notes to Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2003**

**A. BUDGETARY PRACTICES**

**General Budget Practices** The Board follows the following procedures in establishing budgetary data reported in the accompanying budgetary comparison schedule:

Pursuant to Title 17, Section 88 of the Louisiana Revised Statutes, as amended by Act 970 of 1995, the Board is required to adopt an annual budget no later than September 15<sup>th</sup> of each year for the general fund and all special revenue funds.

Each year prior to September 15<sup>th</sup>, the Director of Accounting and the Superintendent submit a proposed annual budget for the general fund and all special revenue funds. The operating budgets include proposed expenditures and the means of financing them. The proposed budget is advertised as available for public inspection at least 15 days prior to final adoption simultaneously with a notice of the date of public hearing. The public hearing is conducted during a finance committee meeting in order to obtain public input. The budget is subsequently adopted by the full Board through a formal budget resolution. Upon final Board approval, a copy of the budget is then sent to the State Department of Education.

General fund and special revenue fund appropriations (unexpended budget balances) lapse at end of fiscal year.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments. All budget revisions are approved by the Board.

**Budget Basis of Accounting** All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Legally, the Board cannot budget total expenditures and other financing uses which would exceed total budgeted revenues and other financing sources including beginning fund balance. State statutes require the Board to amend its budgets to prevent overall projected revenues, expenditures, or beginning fund balance from causing an adverse budget variance of five percent or more in an individual fund. The Board approves budgets at the function level and management is allowed to transfer amounts between line items within a function. Debt service funds are controlled by related bond ordinances and not budgeted on an annual basis. Therefore, a budget to actual comparison is not presented for these funds. Capital projects funds are controlled on a project basis through the use of formal bidding and are not budgeted on an annual basis. All projects remain programmed and funded until completed or until the Board decides to eliminate the project. As a result, budget to actual comparisons are not presented for these funds.

**B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL MAJOR FUNDS**

The following budgeted major funds had actual expenditures over budgeted expenditures for the fiscal year:

Major Fund	Final Budget	Actual	Unfavorable Variance
General Fund	\$ 34,084,024	\$ 34,084,621	\$ 597

Actual expenditures exceeded appropriations as a result of unanticipated accruals occurring after the last budget revision.

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## **SUPPLEMENTAL INFORMATION**

JEFFERSON DAVIS PARISH SCHOOL BOARD  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet - By Fund Type  
June 30, 2003

Schedule 2

	Special Revenue	Debt Service	Capital Projects	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,440,442	\$ 2,639,817	\$ 1,262,621	\$ 5,342,880
Investments	-	-	-	-
Receivables	1,001,265	95,644	-	1,096,909
Interfund receivables	-	-	-	-
Inventory	107,219	-	-	107,219
Prepaid items	-	-	-	-
<b>TOTAL ASSETS</b>	<u>2,548,926</u>	<u>2,735,461</u>	<u>1,262,621</u>	<u>6,547,008</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	120,341	-	3,161	123,502
Contracts payable	-	-	199,062	199,062
Payroll deductions, withholdings, and accrued salaries payable	449,937	-	-	449,937
Interfund payables	692,950	-	-	692,950
Deposits due others	11,705	-	-	11,705
<b>Total Liabilities</b>	<u>1,274,933</u>	<u>-</u>	<u>202,223</u>	<u>1,477,156</u>
<b>FUND BALANCES</b>				
Reserved	-	-	-	-
Unreserved:				
Designated	-	-	-	-
Undesignated reported in:				
General fund	-	-	-	-
Special revenue funds	1,273,993	-	-	1,273,993
Debt service funds	-	2,735,461	-	2,735,461
Capital projects funds	-	-	1,060,398	1,060,398
<b>Total Fund Balances</b>	<u>1,273,993</u>	<u>2,735,461</u>	<u>1,060,398</u>	<u>5,069,852</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,548,926</u>	<u>\$ 2,735,461</u>	<u>\$ 1,262,621</u>	<u>\$ 6,547,008</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR GOVERNMENTAL FUNDS**  
Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances - By Fund Type  
For the Year Ended June 30, 2003

**Schedule 3**  
**(Continued)**

	Special Revenue	Debt Service	Capital Projects	Total
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 1,277,138	\$ 2,108,815	\$ -	\$ 3,385,953
Sales and use taxes	-	993,934	-	993,934
Parish contribution to retirement fund	-	-	-	-
Collection fees from municipalities	-	-	-	-
Tuition	-	-	-	-
Interest earnings	16,655	29,718	30,348	76,721
Food services	471,213	-	-	471,213
Other local revenue	37,071	-	749	37,820
State sources:				
Equalization	750,000	-	-	750,000
Restricted grants-in-aid	48,042	-	-	48,042
Revenue sharing	81,310	-	-	81,310
Other state revenues	-	-	-	-
Federal sources	5,370,256	-	-	5,370,256
Total revenues	<u>8,051,685</u>	<u>3,132,467</u>	<u>31,097</u>	<u>11,215,249</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	329,235	-	-	329,235
Special education programs	650,815	-	-	650,815
Vocational programs	91,071	-	-	91,071
All other instructional programs	1,436,570	-	-	1,436,570
Support services:				
Student services	240,089	-	-	240,089
Instructional staff support	884,926	-	-	884,926
General administration	43,183	67,437	153	110,773
School administration	48,328	-	-	48,328
Business services	334	2,856	19,269	22,459
Plant operation and maintenance	879,028	-	15,245	894,273
Student transportation services	49,758	-	-	49,758
Central services	87,498	-	-	87,498
Non-instructional services:				
Food services	2,857,066	-	-	2,857,066
Community service programs	-	-	-	-
Intergovernmental	81,650	-	-	81,650
Facilities acquisition and construction	1,380	-	2,521,420	2,522,800
Debt service:				
Principal retirement	-	751,000	-	751,000
Interest	-	1,023,626	-	1,023,626
Total expenditures	<u>7,680,931</u>	<u>1,844,919</u>	<u>2,556,087</u>	<u>12,081,937</u>

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances - By Fund Type**  
**For the Year Ended June 30, 2003**

**Schedule 3**  
**(Concluded)**

	Special Revenue	Debt Service	Capital Projects	Total
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	370,754	1,287,548	(2,524,990)	(866,688)
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Indirect costs	(186,982)	-	-	(186,982)
Proceeds from sale of bonds	-	-	1,000,000	1,000,000
Proceeds from sale of fixed assets	8,100	-	-	8,100
Total other financing sources (uses)	(178,882)	-	1,000,000	821,118
NET CHANGES IN FUND BALANCES	191,872	1,287,548	(1,524,990)	(45,570)
FUND BALANCES BEGINNING OF YEAR	1,082,121	1,447,913	2,585,388	5,115,422
FUND BALANCES END OF YEAR	\$ 1,273,993	\$ 2,735,461	\$ 1,060,398	\$ 5,069,852

The accompanying notes are an integral part of this statement.



JEFFERSON DAVIS PARISH SCHOOL BOARD  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2003

	Maintenance Consolidated School District No. 1	Maintenance School District No. 1	Maintenance School District No. 2	Maintenance School District No. 3
<b>ASSETS</b>				
Cash and cash equivalents	\$ 270,074	\$ 230,338	\$ 438,625	\$ 15,270
Investments	-	-	-	-
Receivables	531	1,011	2,977	45
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
<b>TOTAL ASSETS</b>	<u>270,605</u>	<u>231,349</u>	<u>441,602</u>	<u>15,315</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	9,106	10,522	13,381	3,550
Contracts payable	-	-	-	-
Payroll deductions, withholdings, and accrued salaries payable	-	51	640	-
Interfund payables	-	-	42	-
Deposits due others	-	-	-	-
<b>Total Liabilities</b>	<u>9,106</u>	<u>10,573</u>	<u>14,063</u>	<u>3,550</u>
<b>FUND BALANCES</b>				
Reserved	-	-	-	-
Unreserved:				
Designated	-	-	-	-
Undesignated reported in:				
General fund	-	-	-	-
Special revenue funds	261,499	220,776	427,539	11,765
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
<b>Total Fund Balances</b>	<u>261,499</u>	<u>220,776</u>	<u>427,539</u>	<u>11,765</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 270,605</u>	<u>\$ 231,349</u>	<u>\$ 441,602</u>	<u>\$ 15,315</u>

**Schedule 4  
(Continued)**

Maintenance School District No. 5	Maintenance School District No. 8	Maintenance School District No. 22	School Food Service	I.D.E.A. Preschool
\$ 21,894	\$ 44,529	\$ 64,357	\$ 355,355	\$ -
-	-	-	-	-
154	225	457	9,536	27,735
-	-	-	-	-
-	-	-	107,219	-
-	-	-	-	-
<u>22,048</u>	<u>44,754</u>	<u>64,814</u>	<u>472,110</u>	<u>27,735</u>
157	2,562	5,169	1,914	89
-	-	-	-	-
-	-	1,430	216,854	-
17	-	113	11,391	27,646
-	-	-	11,705	-
<u>174</u>	<u>2,562</u>	<u>6,712</u>	<u>241,864</u>	<u>27,735</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
21,874	42,192	58,102	230,246	-
-	-	-	-	-
-	-	-	-	-
<u>21,874</u>	<u>42,192</u>	<u>58,102</u>	<u>230,246</u>	<u>-</u>
\$ <u>22,048</u>	\$ <u>44,754</u>	\$ <u>64,814</u>	\$ <u>472,110</u>	\$ <u>27,735</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2003

	Other Special Education Federal Funds	Other Federal Funds	I.D.E.A.	Title I
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Receivables	-	84,865	336,537	256,948
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
<b>TOTAL ASSETS</b>	<u>-</u>	<u>84,865</u>	<u>336,537</u>	<u>256,948</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	-	11,569	3,213	29,679
Contracts payable	-	-	-	-
Payroll deductions, withholdings, and accrued salaries payable	-	25,322	19,637	116,522
Interfund payables	-	47,974	313,687	110,747
Deposits due others	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>84,865</u>	<u>336,537</u>	<u>256,948</u>
<b>FUND BALANCES</b>				
Reserved	-	-	-	-
Unreserved:				
Designated	-	-	-	-
Undesignated reported in:				
General fund	-	-	-	-
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ -</u>	<u>\$ 84,865</u>	<u>\$ 336,537</u>	<u>\$ 256,948</u>

**Schedule 4  
(Concluded)**

<u>Title I Carryover</u>	<u>Migrant Education</u>	<u>Title V</u>	<u>Title IV Drug Free Schools</u>	<u>Title II</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,440,442
-	-	-	-	-	-
26,604	23,866	977	7,290	221,507	1,001,265
-	-	-	-	-	-
-	-	-	-	-	107,219
-	-	-	-	-	-
<u>26,604</u>	<u>23,866</u>	<u>977</u>	<u>7,290</u>	<u>221,507</u>	<u>2,548,926</u>
2,422	7,456	82	6,278	13,192	120,341
-	-	-	-	-	-
-	5,390	-	-	64,091	449,937
24,182	11,020	895	1,012	144,224	692,950
-	-	-	-	-	11,705
<u>26,604</u>	<u>23,866</u>	<u>977</u>	<u>7,290</u>	<u>221,507</u>	<u>1,274,933</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,273,993
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,273,993</u>
\$ <u>26,604</u>	\$ <u>23,866</u>	\$ <u>977</u>	\$ <u>7,290</u>	\$ <u>221,507</u>	\$ <u>2,548,926</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2003**

	Maintenance Consolidated School District No. 1	Maintenance School District No. 1	Maintenance School District No. 2	Maintenance School District No. 3
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 211,704	\$ 299,197	\$ 453,623	\$ 69,812
Sales and use taxes	-	-	-	-
Parish contribution to retirement fund	-	-	-	-
Collection fees from municipalities	-	-	-	-
Tuition	-	-	-	-
Interest earnings	3,362	2,893	5,773	258
Food services	-	-	-	-
Other local revenue	5	4,000	6,475	-
State sources:				
Equalization	-	-	-	-
Restricted grants-in-aid	-	-	-	-
Revenue sharing	12,584	13,181	35,170	4,886
Other state revenues	-	-	-	-
Federal sources	-	-	-	-
Total revenues	<u>227,655</u>	<u>319,271</u>	<u>501,041</u>	<u>74,956</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	47,791	53,689	149,946	21,470
Special education programs	-	-	-	-
Vocational programs	-	-	-	-
All other instructional programs	-	-	-	-
Support services:				
Student services	-	-	-	-
Instructional staff support	-	-	-	-
General administration	6,483	9,305	14,304	2,189
School administration	11,113	3,409	19,977	4,642
Business services	-	-	-	-
Plant operation and maintenance	117,026	189,254	319,714	34,394
Student transportation services	1,058	726	3,285	2,137
Central services	-	-	-	-
Non-instructional services:				
Food services	-	-	-	-
Community service programs	-	-	-	-
Intergovernmental	-	-	-	-
Facilities acquisition and construction	-	-	1,380	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>183,471</u>	<u>256,383</u>	<u>508,606</u>	<u>64,832</u>

**Schedule 5  
(Continued)**

<u>Maintenance School District No. 5</u>	<u>Maintenance School District No. 8</u>	<u>Maintenance School District No. 22</u>	<u>School Food Service</u>	<u>I.D.E.A. Preschool</u>
\$ 51,220	\$ 77,167	\$ 114,415	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
260	655	954	2,500	-
-	-	-	471,213	-
-	-	21,695	4,896	-
-	-	-	750,000	-
-	-	-	48,042	-
2,872	4,635	7,982	-	-
-	-	-	-	-
-	-	-	1,598,310	51,177
<u>54,352</u>	<u>82,457</u>	<u>145,046</u>	<u>2,874,961</u>	<u>51,177</u>
7,868	19,070	25,495	-	-
-	-	-	-	45,916
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	3,268
2,052	2,412	3,438	-	-
1,873	3,612	2,880	-	-
-	-	-	-	-
33,183	41,584	78,463	-	-
-	3,351	328	-	-
-	-	-	-	-
-	-	-	2,857,066	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>44,976</u>	<u>70,029</u>	<u>110,604</u>	<u>2,857,066</u>	<u>49,184</u>



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2003**

	Maintenance Consolidated School District No. 1	Maintenance School District No. 1	Maintenance School District No. 2	Maintenance School District No. 3
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>44,184</u>	<u>62,888</u>	<u>(7,565)</u>	<u>10,124</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Indirect costs	-	-	-	-
Proceeds from sale of bonds	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	44,184	62,888	(7,565)	10,124
FUND BALANCES BEGINNING OF YEAR	<u>217,315</u>	<u>157,888</u>	<u>435,104</u>	<u>1,641</u>
FUND BALANCES END OF YEAR	<u>\$ 261,499</u>	<u>\$ 220,776</u>	<u>\$ 427,539</u>	<u>\$ 11,765</u>

**Schedule 5  
(Continued)**

<u>Maintenance School District No. 5</u>	<u>Maintenance School District No. 8</u>	<u>Maintenance School District No. 22</u>	<u>School Food Service</u>	<u>I.D.E.A. Preschool</u>
<u>9,376</u>	<u>12,428</u>	<u>34,442</u>	<u>17,895</u>	<u>1,993</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	(1,993)
-	-	-	-	-
-	-	8,100	-	-
<u>-</u>	<u>-</u>	<u>8,100</u>	<u>-</u>	<u>(1,993)</u>
9,376	12,428	42,542	17,895	-
<u>12,498</u>	<u>29,764</u>	<u>15,560</u>	<u>212,351</u>	<u>-</u>
<u>\$ 21,874</u>	<u>\$ 42,192</u>	<u>\$ 58,102</u>	<u>\$ 230,246</u>	<u>\$ -</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2003**

	Other Special Education Federal Funds	Other Federal Funds	I.D.E.A.	Title I
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-
Parish contribution to retirement fund	-	-	-	-
Collection fees from municipalities	-	-	-	-
Tuition	-	-	-	-
Interest earnings	-	-	-	-
Food services	-	-	-	-
Other local revenue	-	-	-	-
State sources:				
Equalization	-	-	-	-
Restricted grants-in-aid	-	-	-	-
Revenue sharing	-	-	-	-
Other state revenues	-	-	-	-
Federal sources	3,000	321,527	942,147	1,420,705
Total revenues	<u>3,000</u>	<u>321,527</u>	<u>942,147</u>	<u>1,420,705</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	-	-	-	-
Special education programs	2,827	3,669	598,403	-
Vocational programs	-	91,071	-	-
All other instructional programs	-	103,989	-	906,376
Support services:				
Student services	-	118,482	59,891	38,319
Instructional staff support	-	1,146	162,707	303,760
General administration	-	-	-	2,000
School administration	-	822	-	-
Business services	-	-	-	-
Plant operation and maintenance	-	-	1,623	53,322
Student transportation services	-	-	38,873	-
Central services	-	-	32,552	35,793
Non-instructional services:				
Food services	-	-	-	-
Community service programs	-	-	-	-
Intergovernmental	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>2,827</u>	<u>319,179</u>	<u>894,049</u>	<u>1,339,570</u>

**Schedule 5  
(Concluded)**

<u>Title I Carryover</u>	<u>Migrant Education</u>	<u>Title V</u>	<u>Title IV Drug Free Schools</u>	<u>Title II</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,277,138
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	16,655
-	-	-	-	-	471,213
-	-	-	-	-	37,071
-	-	-	-	-	750,000
-	-	-	-	-	48,042
-	-	-	-	-	81,310
-	-	-	-	-	-
231,615	181,766	36,595	38,195	545,219	5,370,256
<u>231,615</u>	<u>181,766</u>	<u>36,595</u>	<u>38,195</u>	<u>545,219</u>	<u>8,051,685</u>
-	-	-	-	3,906	329,235
-	-	-	-	-	650,815
-	-	-	-	-	91,071
36,747	37,801	8,957	14,693	328,007	1,436,570
23,397	-	-	-	-	240,089
128,705	56,118	24,928	22,753	181,541	884,926
-	400	600	-	-	43,183
-	-	-	-	-	48,328
-	-	-	-	334	334
10,389	76	-	-	-	879,028
-	-	-	-	-	49,758
19,153	-	-	-	-	87,498
-	-	-	-	-	2,857,066
-	-	-	-	-	-
-	81,650	-	-	-	81,650
-	-	-	-	-	1,380
-	-	-	-	-	-
-	-	-	-	-	-
<u>218,391</u>	<u>176,045</u>	<u>34,485</u>	<u>37,446</u>	<u>513,788</u>	<u>7,680,931</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2003**

	Other Special Education Federal Funds	Other Federal Funds	I.D.E.A.	Title I
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>173</u>	<u>2,348</u>	<u>48,098</u>	<u>81,135</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Indirect costs	(173)	(2,348)	(48,098)	(81,135)
Proceeds from sale of bonds	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-
Total other financing sources (uses)	<u>(173)</u>	<u>(2,348)</u>	<u>(48,098)</u>	<u>(81,135)</u>
NET CHANGES IN FUND BALANCES	-	-	-	-
FUND BALANCES BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Schedule 5  
(Concluded)**

<u>Title I Carryover</u>	<u>Migrant Education</u>	<u>Title V</u>	<u>Title IV Drug Free Schools</u>	<u>Title II</u>	<u>Total</u>
<u>13,224</u>	<u>5,721</u>	<u>2,110</u>	<u>749</u>	<u>31,431</u>	<u>370,754</u>
-	-	-	-	-	-
-	-	-	-	-	-
(13,224)	(5,721)	(2,110)	(749)	(31,431)	(186,982)
-	-	-	-	-	-
-	-	-	-	-	8,100
<u>(13,224)</u>	<u>(5,721)</u>	<u>(2,110)</u>	<u>(749)</u>	<u>(31,431)</u>	<u>(178,882)</u>
-	-	-	-	-	191,872
-	-	-	-	-	1,082,121
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,273,993</u>



JEFFERSON DAVIS PARISH SCHOOL BOARD  
NONMAJOR DEBT SERVICE FUNDS  
Combining Balance Sheet  
June 30, 2003

	Consolidated School District No. 1	School District No. 1	School District No. 2	School District No. 3
<b>ASSETS</b>				
Cash and cash equivalents	\$ 311,867	\$ 302,499	\$ 272,121	\$ 54,036
Investments	-	-	-	-
Receivables	1,025	897	4,514	51
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
<b>TOTAL ASSETS</b>	<u>312,892</u>	<u>303,396</u>	<u>276,635</u>	<u>54,087</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	-	-	-	-
Contracts payable	-	-	-	-
Payroll deductions, withholdings, and accrued salaries payable	-	-	-	-
Interfund payables	-	-	-	-
Deposits due others	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Reserved	-	-	-	-
Unreserved:				
Designated	-	-	-	-
Undesignated reported in:				
General fund	-	-	-	-
Special revenue funds	-	-	-	-
Debt service funds	312,892	303,396	276,635	54,087
Capital projects funds	-	-	-	-
<b>Total Fund Balances</b>	<u>312,892</u>	<u>303,396</u>	<u>276,635</u>	<u>54,087</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 312,892</u>	<u>\$ 303,396</u>	<u>\$ 276,635</u>	<u>\$ 54,087</u>

**Schedule 6**

School District No. 5	School District No. 8	School District No. 22	Sales Tax District No. 1	Total
\$ 35,207	\$ 186,631	\$ 112,356	\$ 1,365,100	\$ 2,639,817
-	-	-	-	-
277	679	935	87,266	95,644
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>35,484</u>	<u>187,310</u>	<u>113,291</u>	<u>1,452,366</u>	<u>2,735,461</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
35,484	187,310	113,291	1,452,366	2,735,461
-	-	-	-	-
<u>35,484</u>	<u>187,310</u>	<u>113,291</u>	<u>1,452,366</u>	<u>2,735,461</u>
\$ <u>35,484</u>	\$ <u>187,310</u>	\$ <u>113,291</u>	\$ <u>1,452,366</u>	\$ <u>2,735,461</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**
**NONMAJOR DEBT SERVICE FUNDS**
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**
**For the Year Ended June 30, 2003**

	<u>Consolidated School District No. 1</u>	<u>School District No. 1</u>	<u>School District No. 2</u>	<u>School District No. 3</u>
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 409,549	\$ 265,381	\$ 808,955	\$ 77,263
Sales and use taxes	-	-	-	-
Parish contribution to retirement fund	-	-	-	-
Collection fees from municipalities	-	-	-	-
Tuition	-	-	-	-
Interest earnings	4,356	5,128	4,270	778
Food services	-	-	-	-
Other local revenue	-	-	-	-
State sources:				
Equalization	-	-	-	-
Restricted grants-in-aid	-	-	-	-
Revenue sharing	-	-	-	-
Other state revenues	-	-	-	-
Federal sources	-	-	-	-
Total Revenues	<u>413,905</u>	<u>270,509</u>	<u>813,225</u>	<u>78,041</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	-	-	-	-
Special education programs	-	-	-	-
Vocational programs	-	-	-	-
All other instructional programs	-	-	-	-
Support services:				
Student services	-	-	-	-
Instructional staff support	-	-	-	-
General administration	13,112	8,242	25,472	2,948
School administration	-	-	-	-
Business services	-	-	1,856	-
Plant operation and maintenance	-	-	-	-
Student transportation services	-	-	-	-
Central services	-	-	-	-
Non-instructional services:				
Food services	-	-	-	-
Community service programs	-	-	-	-
Intergovernmental	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	140,000	235,000	100,000	36,000
Interest	258,355	57,040	409,311	39,683
Total expenditures	<u>411,467</u>	<u>300,282</u>	<u>536,639</u>	<u>78,631</u>

**Schedule 7  
(Continued)**

<u>School District No. 5</u>	<u>School District No. 8</u>	<u>School District No. 22</u>	<u>Sales Tax District No. 1</u>	<u>Total</u>
\$ 91,577	\$ 233,923	\$ 222,167	\$ -	\$ 2,108,815
-	-	-	993,934	993,934
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
377	3,003	1,814	9,992	29,718
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>91,954</u>	<u>236,926</u>	<u>223,981</u>	<u>1,003,926</u>	<u>3,132,467</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,816	7,885	6,962	-	67,437
-	-	-	-	-
-	-	1,000	-	2,856
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
25,000	135,000	80,000	-	751,000
28,654	103,148	127,435	-	1,023,626
<u>56,470</u>	<u>246,033</u>	<u>215,397</u>	<u>-</u>	<u>1,844,919</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR DEBT SERVICE FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2003**

	Consolidated School District No. 1	School District No. 1	School District No. 2	School District No. 3
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>2,438</u>	<u>(29,773)</u>	<u>276,586</u>	<u>(590)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Indirect costs	-	-	-	-
Proceeds from sale of bonds	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	2,438	(29,773)	276,586	(590)
FUND BALANCES BEGINNING OF YEAR	<u>310,454</u>	<u>333,169</u>	<u>49</u>	<u>54,677</u>
FUND BALANCES END OF YEAR	<u>\$ 312,892</u>	<u>\$ 303,396</u>	<u>\$ 276,635</u>	<u>\$ 54,087</u>

**Schedule 7  
(Concluded)**

<u>School District No. 5</u>	<u>School District No. 8</u>	<u>School District No. 22</u>	<u>Sales Tax District No. 1</u>	<u>Total</u>
<u>35,484</u>	<u>(9,107)</u>	<u>8,584</u>	<u>1,003,926</u>	<u>1,287,548</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>35,484</u>	<u>(9,107)</u>	<u>8,584</u>	<u>1,003,926</u>	<u>1,287,548</u>
<u>-</u>	<u>196,417</u>	<u>104,707</u>	<u>448,440</u>	<u>1,447,913</u>
<u>\$ 35,484</u>	<u>\$ 187,310</u>	<u>\$ 113,291</u>	<u>\$ 1,452,366</u>	<u>\$ 2,735,461</u>



JEFFERSON DAVIS PARISH SCHOOL BOARD  
NONMAJOR CAPITAL PROJECTS FUNDS  
Combining Balance Sheet  
June 30, 2003

	Consolidated School District No. 1	School District No. 3	School District No. 5
<b>ASSETS</b>			
Cash and cash equivalents	\$ 116,017	\$ 112,464	\$ 952,413
Investments	-	-	-
Receivables	-	-	-
Interfund receivables	-	-	-
Inventory	-	-	-
Prepaid items	-	-	-
<b>TOTAL ASSETS</b>	<u>116,017</u>	<u>112,464</u>	<u>952,413</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable	-	-	3,161
Contracts payable	-	-	140,468
Payroll deductions, withholdings, and accrued salaries payable	-	-	-
Interfund payables	-	-	-
Deposits due others	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>143,629</u>
<b>FUND BALANCES</b>			
Reserved	-	-	-
Unreserved:			
Designated	-	-	-
Undesignated reported in:			
General fund	-	-	-
Special revenue funds	-	-	-
Debt service funds	-	-	-
Capital projects funds	116,017	112,464	808,784
<b>Total Fund Balances</b>	<u>116,017</u>	<u>112,464</u>	<u>808,784</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 116,017</u>	<u>\$ 112,464</u>	<u>\$ 952,413</u>

# Schedule 8

School District No. 8	School District No. 22	Total
\$ 3	\$ 81,724	\$ 1,262,621
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>3</u>	<u>81,724</u>	<u>1,262,621</u>
-	-	3,161
-	58,594	199,062
-	-	-
-	-	-
-	-	-
<u>-</u>	<u>58,594</u>	<u>202,223</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
3	23,130	1,060,398
<u>3</u>	<u>23,130</u>	<u>1,060,398</u>
\$ <u>3</u>	\$ <u>81,724</u>	\$ <u>1,262,621</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2003**

	Consolidated School District No. 1	School District No. 3	School District No. 5
<b>REVENUES</b>			
Local sources:			
Taxes:			
Ad valorem taxes	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-
Parish contribution to retirement fund	-	-	-
Collection fees from municipalities	-	-	-
Tuition	-	-	-
Interest earnings	3,177	1,743	11,030
Food services	-	-	-
Other local revenue	-	-	-
State sources:			
Equalization	-	-	-
Restricted grants-in-aid	-	-	-
Revenue sharing	-	-	-
Other state revenues	-	-	-
Federal sources	-	-	-
Total Revenues	<u>3,177</u>	<u>1,743</u>	<u>11,030</u>
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	-	-	-
Special education programs	-	-	-
Vocational programs	-	-	-
All other instructional programs	-	-	-
Support services:			
Student services	-	-	-
Instructional staff support	-	-	-
General administration	-	-	153
School administration	-	-	-
Business services	-	12	19,257
Plant operation and maintenance	6,998	8,247	-
Student transportation services	-	-	-
Central services	-	-	-
Non-instructional services:			
Food services	-	-	-
Community service programs	-	-	-
Intergovernmental	-	-	-
Facilities acquisition and construction	274,338	-	182,845
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Total expenditures	<u>281,336</u>	<u>8,259</u>	<u>202,255</u>

**Schedule 9  
(Continued)**

<u>School District No. 8</u>	<u>School District No. 22</u>	<u>Total</u>
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
113	14,285	30,348
-	-	-
-	749	749
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>113</u>	<u>15,034</u>	<u>31,097</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	153
-	-	-
-	-	19,269
-	-	15,245
-	-	-
-	-	-
-	-	-
-	-	-
9,177	2,055,060	2,521,420
-	-	-
-	-	-
<u>9,177</u>	<u>2,055,060</u>	<u>2,556,087</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2003**

	<u>Consolidated School District No. 1</u>	<u>School District No. 3</u>	<u>School District No. 5</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(278,159)</u>	<u>(6,516)</u>	<u>(191,225)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Indirect costs	-	-	-
Proceeds from sale of bonds	-	-	1,000,000
Proceeds from sale of fixed assets	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,000,000</u>
NET CHANGES IN FUND BALANCES	(278,159)	(6,516)	808,775
FUND BALANCES BEGINNING OF YEAR	<u>394,176</u>	<u>118,980</u>	<u>9</u>
FUND BALANCES END OF YEAR	<u>\$ 116,017</u>	<u>\$ 112,464</u>	<u>\$ 808,784</u>

**Schedule 9  
(Concluded)**

School District No. 8	School District No. 22	Total
<u>(9,064)</u>	<u>(2,040,026)</u>	<u>(2,524,990)</u>
-	-	-
-	-	-
-	-	-
-	-	1,000,000
-	-	-
<u>-</u>	<u>-</u>	<u>1,000,000</u>
(9,064)	(2,040,026)	(1,524,990)
<u>9,067</u>	<u>2,063,156</u>	<u>2,585,388</u>
\$ <u>3</u>	\$ <u>23,130</u>	\$ <u>1,060,398</u>



JEFFERSON DAVIS PARISH SCHOOL BOARD  
 AGENCY FUNDS  
 Combining Balance Sheet  
 June 30, 2003

Schedule 10

	<u>School Activity</u>	<u>Sales &amp; Use Tax</u>	<u>Total Agency</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 752,770	\$ 571,475	\$ 1,324,245
Investments	63,142	-	63,142
<b>TOTAL ASSETS</b>	<u>\$ 815,912</u>	<u>\$ 571,475</u>	<u>\$ 1,387,387</u>
<b>LIABILITIES</b>			
Due to other governments	\$ -	\$ 401,972	\$ 401,972
Deposits due others	815,912	169,503	985,415
<b>TOTAL LIABILITIES</b>	<u>\$ 815,912</u>	<u>\$ 571,475</u>	<u>\$ 1,387,387</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**AGENCY FUND - SCHOOL ACTIVITY FUNDS**  
**Schedule of Changes in Deposits Due Others**  
**For the Year Ended June 30, 2003**

**Schedule 11-1**

School District	School Name	Balance Beginning	Additions	Reductions	Balance Ending
22	Elton Elementary	\$ 68,597	\$ 89,497	\$ 113,861	\$ 44,233
22	Elton High	103,727	290,936	281,168	113,495
5	Fenton Elementary	24,164	43,849	43,621	24,392
3	Hathaway	107,586	209,572	203,782	113,376
2	Jennings High	164,301	339,306	333,083	170,524
2	Jennings Northside Junior High	42,779	205,971	209,295	39,455
2	Jennings Ward Elementary	13,957	99,799	93,280	20,476
2	Jennings West End Elementary	17,269	261,226	239,540	38,955
8	Lacassine	42,786	89,375	87,841	44,320
1	Lake Arthur Elementary	68,629	66,965	72,069	63,525
1	Lake Arthur High	54,254	92,894	90,049	57,099
CSD1	Welsh Elementary	31,392	238,380	222,059	47,713
CSD1	Welsh High	15,221	55,270	54,858	15,633
CSD1	Welsh-Roanoke Junior High	20,404	50,545	48,233	22,716
Total		\$ 775,066	\$ 2,133,585	\$ 2,092,739	\$ 815,912

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
AGENCY FUND - SALES AND USE TAX FUND  
Schedule of Changes in Deposits Due Others  
For the Year Ended June 30, 2003**

**Schedule 11-2**

	<u>Protested Account</u>	<u>Regular Account</u>	<u>Total Fund</u>
Deposit Balances at Beginning of Year	<u>136,527</u>	<u>393,315</u>	<u>529,842</u>
Additions:			
Sales tax collections, net of fees and refunds	30,981	11,727,145	11,758,126
Less settlements to regular account			-
Deducted from collections:			
Collection fees charged to municipalities	-	99,618	99,618
Refunds	-	14,619	14,619
Interest earnings	1,994	24,118	26,112
Total Additions	<u>32,975</u>	<u>11,865,500</u>	<u>11,898,475</u>
Reductions:			
Distributions to taxing bodies:			
Jefferson Davis Parish School Board	-	6,163,870	6,163,870
City of Jennings	-	3,500,986	3,500,986
Town of Lake Arthur	-	426,298	426,298
Town of Welsh	-	529,749	529,749
Town of Elton	-	149,870	149,870
Village of Fenton	-	25,474	25,474
Tourist Commission	-	53,746	53,746
Sales Tax District 1	-	984,876	984,876
Refunds	-	21,973	21,973
Total Reductions	<u>-</u>	<u>11,856,842</u>	<u>11,856,842</u>
Deposit Balances at End of Year	\$ <u>169,502</u>	\$ <u>401,973</u>	\$ <u>571,475</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD****Schedule of Compensation and Other Expenses Paid to School Board Members  
For the Year Ended June 30, 2003****Schedule 12**

<u>Board Member</u>	<u>Election District</u>	<u>School District Represented</u>	<u>Salary</u>	<u>Employer Taxes</u>	<u>Travel Expenses</u>	<u>Total</u>
Vincent, Garland	1	1	\$ 2,100	\$ 159	\$ 0	\$ 2,259
Dodson, Malon	1	1	2,100	30	0	2,130
Bertrand, Darryl	2	1	4,200	321	0	4,521
Gilbeaux, Harry O., Jr.	3	2	4,200	0	0	4,200
Menard, Robert	4	2	4,200	321	0	4,521
Richert, Joel	5	2	4,200	90	0	4,290
Capdeville, David	6	2	4,200	315	0	4,515
Segura, James E.	7	2	4,200	321	0	4,521
Heinen, Michael J.	8	3	4,800	367	0	5,167
Bertrand, Lorraine	9	22	2,100	3	0	2,103
Bruchhaus, Charles	9	22	2,100	161	0	2,261
McNabb, Richard	10	5	4,200	321	228	4,749
Hayes, Ronnie	11	CSD-1	4,200	321	0	4,521
Bouley, Jason	12	CSD-1	4,800	367	0	5,167
Fruge, Larry	13	8	2,100	161	0	2,261
Caraway, Julius	13	8	2,100	161	186	2,447
			<u>\$ 55,800</u>	<u>\$ 3,419</u>	<u>\$ 414</u>	<u>\$ 59,633</u>

The above schedule of compensation and reimbursed travel expenses paid to school board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The compensation and reimbursed expenses of school board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the school board members have elected the monthly payment method of compensation. Under this method, each member of the school board receives \$350 per month, and the president receives \$450 per month for performing the duties of his office.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2003**

**Schedule 13**

<u>Federal Grantor/ Pass-through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Agriculture :</b>			
Passed through Louisiana Department of Education:			
Child Nutritional Cluster:			
National School Lunch Program	10.555	Unavailable	\$ 1,096,000
School Breakfast Program	10.553	Unavailable	361,597
Total Child Nutritional Cluster			<u>1,457,597</u>
Passed through Louisiana Department of Agriculture and Forestry:			
USDA Commodities	10.550	Unavailable	140,713
Total U.S. Department of Agriculture			<u>1,598,310</u>
<b>U.S. Department of Education :</b>			
Passed through Louisiana Department of Education:			
Special Education Cluster:			
Special Education-Grants to States	84.027	{ 03-B1-27, 02-B1-27 }	942,147
Special Education -Preschool Grants	84.173	{ 02-P1-27, 03-P1-27 }	51,177
Total Special Education Cluster			<u>993,324</u>
Adult Education -State Grant Program	84.002	{ 0344-27, 0244-27-C, 0144-27-C }	62,924
Special Education-Grants for Infants and Families with Disabilities	84.181	03-C3-27	3,000
Title I-Grants to Local Educational Agencies	84.010	{ 03-T1-27, 02-T1-27-CO2003 }	1,652,320
Migrant Education-Basic State Grant Program	84.011	{ 01-M1-27C, 02-M1-27, 02-M1-27-C, 03-M1-27 }	181,766
Vocational Education -Basic Grants to States (Perkins III)	84.048	{ 0202-27, 0302-27 }	91,071
Safe and Drug Free Schools and Communities -State Grants	84.186	03-70-27	38,195
Innovative Education Program Strategies	84.298	03-80-27	36,595
Technology Literacy Challenge Fund Grants	84.318	0349-27, 0248-27	46,706
Improving Teacher Quality State Grants	84.367	03-50-27	460,629
Rural Education Achievement Program	84.358	03-RE-27	41,753
Total U.S. Department of Education			<u>3,608,283</u>
<b>U.S. Department of Health and Human Services :</b>			
Passed through Louisiana Department of Education			
Temporary Assistance for Needy Families [TANF]	93.558	0336-27	49,030
Total U.S. Department of Health and Human Services			<u>49,030</u>
<b>U.S. Department of Labor :</b>			
Passed through Calcasieu Parish Police Jury, State of Louisiana:			
Workforce Investment Act	17.255	Unavailable	163,663
Total U.S. Department of Labor			<u>163,663</u>
Total Expenditures of Federal Awards			<u>\$ 5,419,286</u>

See accompanying notes to schedule of expenditures of federal awards.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Jefferson Davis Parish School Board and is presented on the modified accrual basis of accounting, the same basis as the accompanying basic financial statements are presented. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. All information is presented for the fiscal year ending June 30, 2003. Since some of the grants cover fifteen (15) month periods, the amounts contained in the accompanying schedule of expenditures of federal awards may differ from the financial status reports filed with the grantor agency.

**2. NONCASH FEDERAL ASSISTANCE –FOOD COMMODITIES**

Noncash assistance, received from the U.S. Department of Agriculture, in the form of food commodities are reported in the accompanying schedule of expenditures of federal awards at fair market value of \$104,713.

**3. SUBRECIPIENTS**

The Jefferson Davis Parish School Board, acting as regional sponsor for area school boards and community action agencies, provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided</u>
Migrant Education –Basic State Grant Program	84.011	\$ 81,650
Total		\$ <u>81,650</u>

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# **Mike B. Gillespie, CPA**

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.**

To the Members of the  
Jefferson Davis Parish School Board  
Jennings, Louisiana

We have audited the basic financial statements of the Jefferson Davis Parish School Board (School Board) as of and for the year ended June 30, 2003, and have issued our report thereon dated December 3, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Compliance**

As part of obtaining reasonable assurance about whether the School Board's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2003-1, 2003-2, 2003-3 and 2003-4.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the School Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the basic financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2002-2 (this finding originated in fiscal 2002) and 2003-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in

amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

This report is intended for the information and use of the audit committee (officially referred to as the finance committee), School Board, management, others within the organization, and the Louisiana Legislative Audit Advisory Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Mike B. Gillespie, CPA, APAC*

Jennings, Louisiana  
December 3, 2003

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Members of the  
Jefferson Davis Parish School Board  
Jennings, Louisiana

### Compliance

We have audited the compliance of the Jefferson Davis Parish School Board (School Board) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School Board's compliance with those requirements.

In our opinion, the Jefferson Davis Parish School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2003-3 and 2003-4.

### Internal Control Over Compliance

The management of the Jefferson Davis Parish School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Jefferson Davis Parish School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures

for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operations that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the School Board's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2002-2, 2003-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the audit committee (officially referred to as the finance committee), management, others within the organization, the Jefferson Davis Parish School Board, federal awarding agencies and pass-through entities, and the Louisiana Legislative Audit Advisory Council and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Mike B. Gillespie, CPA, APAC*

Jennings, Louisiana  
December 3, 2003

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2003**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

1. Type of report issued: unqualified opinion on the basic financial statements
2. Internal control over financial reporting:
  - Material weakness(es) identified? - No
  - Reportable condition(s) identified that are not considered to be material weakness(es)? - Yes
3. Noncompliance material to financial statements noted? - No
4. Was a management letter issued? - No

***Federal Awards***

5. Internal control over major programs:
  - Material weakness(es) identified? - No
  - Reportable condition(s) identified that are not considered to be material weakness(es)? - Yes
6. Type of auditor's report issued on compliance for major programs: qualified opinion
7. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? - Yes
8. The programs tested as major programs included:

<u>CFDA No.</u>	<u>Cluster Title or Program Name</u>
10.553	Child Nutritional Cluster- School Breakfast Program
10.555	Child Nutritional Cluster- National School Lunch Program
84.010	Title I-Grants to Local Educational Agencies
84.367	Title II, Part A, Teacher & Principal Training & Recruiting

9. The dollar threshold used for distinguishing between Type A and B programs was: \$300,000
10. Did auditee qualify as a low-risk auditee? - No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Unresolved Prior Year Findings:**

**Item: 2002-2**

**Finding/ Specific Requirement:** Deficiency in Payroll Coding and Classifications Controls



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2003**

**Condition:** During a review of controls over payroll coding and classifications a weakness was discovered concerning supervisory reviews of general ledger transaction assignments with respect to general fund salary changes and supplements. This condition was also reported as a finding for the prior year ending June 30, 2002. Based upon our current year procedures performed, we are reassessing this as a non-material reportable condition.

**Cause of Condition:** We noted no indications that individual employee additions or payroll changes including extra compensation payments were being reviewed for correctness by someone in a supervisory position subsequent to inclusion into the General Fund payroll system.

**Effect of Condition:** An error could occur in general ledger coding and classification and not be detected in a timely manner leading to misstatement of financial and other reporting information.

**Recommendation:** Changes or other additions including payment of extra compensation to employees within the payroll system should be reviewed for correctness and documented as being authorized by someone other than the person in charge of preparing payroll checks.

**Management Response:** The School Board Accounting Department will implement the recommended corrective action to the above-referenced finding before June 30, 2004.

**Current Year Findings:**

**Item: 2003-1**

**Finding/ Specific Requirement:** Noncompliance with Louisiana Revised Statutes 17:181

**Condition:** Based our review of compliance with LRS 17:181, management did not allocate \$50 in addition to other funding, to each student enrolled in school in a vocational agriculture, agribusiness, or agriscience program.

**Cause of Condition:** Management has not developed a detail procedure for monitoring compliance with this statute. This is partly due to the lack of formal guidance provided by the Louisiana Department of Education to the School Board and the inherent vagueness of the underlying law. Also, we noted that the accounting department coded certain expenditures in the 1310 Agriculture Programs functional area in an inconsistent manner which is providing management with inaccurate information with respect to funds expended in this area. We noted a total of at least \$6,131.09 that was coded to this function that was actually expended for other vocational purposes such as business, home economics, and nursing supplies. In addition, we were unable to determine based on the vagueness of the law if welding supplies in the amount of \$9,889.76 provided by the General Fund to the local Louisiana Technical College, Morgan Smith Campus were considered additional funding or not.

**Effect of Condition:** Based upon our procedures performed, General Fund allocations/ expenditures per agriculture student under this law amounted to \$25.91 (excluding the welding supplies) and \$47.27 (including the welding supplies) for the year ending June 30, 2003.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2003**

**Recommendation:** Management should develop and implement detail procedures for monitoring compliance in this area. We suggest that one specific individual be assigned this duty which should include maintaining detail documentation of compliance. We also recommend that procedures be coordinated with the accounting department to ensure that expenditures are being coded consistently and to the proper general ledger account codes.

**Management Response:** Virtually no guidance as to how to properly comply with LRS 17:181 has been offered to the local education agencies by the Louisiana Department of Education. It is extremely difficult to formulate an acceptable response to this reportable condition without proper guidance as to what is allowed or not allowed as a qualified expenditure within the context of the law. The School Board believed that its past procedures were in compliance with the law, however, the independent auditor and the Louisiana Department of Education feel differently. The School Board will be ready to implement whatever reasonable procedures are required to comply with LRS 17:181 when the Louisiana Department of Education issues its long-awaited guidelines. The Director of Curriculum will be the individual assigned to monitor compliance with this law.

**Item: 2003-2**

**Finding/ Specific Requirement:** Noncompliance with Louisiana Constitution Article 7, Section 14

**Condition:** Management issued checks totaling \$710,653.62 to the City of Jennings during the year ending June 30, 2003, from School District No. 2 Capital Projects Fund without entering into a written cooperative endeavor agreement prior to expenditure of funds. This Capital Projects Fund was established to manage the expenditure of the proceeds from two bond issues which are restricted to building and improving schools within District No. 2.

**Cause of Condition:** Management claims to have entered into a verbal agreement with City of Jennings officials concerning the construction of roads, drainage, and associated water and sewer systems necessary to provide physical access to, drainage to, and utility services to a new school under construction by School District No.2. Management explained that the initial agreement was that the School Board would build the road, drainage, and utility services and then donate them to the City of Jennings, which would in return provide future maintenance. Once the project actually got underway, this verbally agreed-to-approach was altered and instead payments were made directly to the City of Jennings by management. The City of Jennings used the payments to pay the contractors directly instead of being paid by the School Board.

**Effect of Condition:** Lack of a written, approved cooperative endeavor agreement prior to expenditure of these funds appears to be in noncompliance with the Louisiana Constitution Article 7, Section 14, which prohibits political subdivisions from loaning, pledging, or donating funds, credit, or things of value to or for any person, association, or corporation, public or private. Based on information reviewed during our study of these transactions, it appears that the expenditures were for a public purpose which will benefit School District No. 2 proportionate to the cost. However, based on our findings, we feel that the lack of a written cooperative endeavor agreement prior to expenditure of these specific monies is considered noncompliance.

**Recommendation:** Management should develop and enter into a written cooperative endeavor agreement with the City of Jennings with respect to these transactions. This written agreement should be approved, adopted, and signed by both the School Board and the City Council.



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2003**

Management Response: Upon investigation of this matter, it was discovered by the School Board's legal counsel that the School Board had indeed executed a written agreement with the City of Jennings concerning the payment for and perpetual upkeep thereafter of the infrastructure required to be constructed in regards to access to the new high school being built in School District # 2 (Jennings). However, the City of Jennings has not signed the agreement to date. Towards that end, the School Board accepts responsibility for failing to ensure that the City had completed the agreement. The respective attorneys of both sides are working together to complete this agreement as soon as possible.

**SECTION III –FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**U.S. Department of Agriculture**

**Item: 2003-3**

Program/ Grant: Child Nutrition Cluster including School Breakfast Program –CFDA No. 10.553; and National School Lunch Program –CFDA No. 10.555

Finding/ Specific Requirement: Procurement and Suspension and Debarment

Condition: Federal procurement regulations require that the School Board use the same state policies and procedures used for procurements from non-Federal funds. During our test of procurement procedures, we noted that management failed to advertise bids in a local newspaper for annual food purchases expected to exceed \$15,000 prior to opening bids received as required under Louisiana Revised Statutes 38:2212. Pursuant to this statute, management was required to publish an advertisement two times in the newspaper in the locality, the first advertisement to appear at least fifteen (15) days before the opening of the bids.

However, our procedures indicated that competitive bids were obtained by mailing bid notifications directly to previous year's bidders. For the purchases tested we noted that bid tabulations were prepared for those bids received, and the lowest bidder was approved.

Cause of Condition: According to the Supervisor of Food Services, this was an oversight.

Questioned Costs: A specific amount of questioned costs cannot be determined, however, per review of total food purchase expenditures, there were seven (7) vendors that provided individually more than \$15,000 in food items to the School Board's Food Service Program. The total amounts paid these seven vendors during the fiscal year ending June 30, 2003, amounted to \$811,806.

Effect of Condition: The School Board was not in compliance with Federal procurement requirements for this program.

Recommendation: The Food Service Department should review Federal procurement regulations and associated state statutes dealing with public bid laws and implement policy changes that require someone to review this aspect of the bid process prior to soliciting bids.

Management Response: The School Board agrees that the Food Service Department failed to advertise a bid notice in the official journal in this matter as required by procurement policy. The School Food Service Supervisor will ensure that any future bids will be properly advertised.

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2003**

**U.S. Department of Education**

**Item: 2003-4**

Program/ Grant: Improving Teacher Quality State Grants –CFDA No. 84.367

Finding/ Specific Requirement: Allowable Costs/ Cost Principles

Condition: According to OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribe Governments*, where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications are to be prepared at least semi-annually and should be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

During our test of procedures in this area, we noted that the required certification process was not performed for the eight employees that work solely for this program.

Cause of Condition: The director of this program was unaware of the certification process requirement.

Questioned Costs: No questioned costs were found in connection with the employees that work solely on this program.

Effect of Condition: The School Board was not in compliance with OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribe Government*.

Recommendation: The School Board should implement procedures to ensure that this certification process is performed twice a year.

Management Response: The School Board was informed of this requirement in November 2003. Steps will be taken in the near future to comply with this time certification policy.

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# JEFFERSON DAVIS PARISH SCHOOL BOARD

P.O. BOX 640      203 EAST PLAQUEMINE STREET  
JENNINGS, LOUISIANA 70546

C. A. FRIEDMAN  
SUPERINTENDENT

TELEPHONE (337) 824-1834  
FAX (337) 824-9737

## MANAGEMENT'S CORRECTIVE ACTION PLAN

Mr. Mike B. Gillespie, CPA  
Mike B. Gillespie, CPA, APAC  
414 E. Nezpique Street  
Jennings, Louisiana 70546

Dear Mr. Gillespie:

The Jefferson Davis Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2003. The findings from the June 30, 2003 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### FINANCIAL STATEMENT FINDINGS

#### Item: 2002-2

Finding/ Specific Requirement: Deficiency in Payroll Coding and Classifications Controls

Recommendation: Changes or other additions including payment of extra compensation to employees within the payroll system should be reviewed for correctness and documented as being authorized by someone other than the person in charge of preparing payroll checks.

Corrective Action Planned: We anticipate the implementation of the corrective action suggested by the independent auditor during the 2003-2004 fiscal year.

Contact Person: Bill Hebert, Director of Finance, Jefferson Davis Parish School Board

Completion Date: Before June 30, 2004

#### Item: 2003-1

Finding/ Specific Requirement: Noncompliance with Louisiana Revised Statutes 17:181

Recommendation: Management should develop and implement detail procedures for monitoring compliance in this area. We suggest that one specific individual be assigned this duty which should include maintaining detail documentation of compliance. We also, recommend that procedures be coordinated with the accounting department to ensure that expenditures are being coded consistently and to the proper general ledger account codes.

Corrective Action Planned: We anticipate the implementation of the corrective action suggested by the independent auditor during the 2003-2004 fiscal year, pending receipt of definitive guidelines from the Louisiana Department of Education as to the rules to be followed in order to achieve compliance with LRS 14:181.

Contact Person: Bill Hebert, Director of Finance, Jefferson Davis Parish School Board

Completion Date: Before June 30, 2004

**Item: 2003-2**

Finding/ Specific Requirement: Noncompliance with Louisiana Constitution Article 7, Section 14

Recommendation: Management should develop and enter into a written cooperative endeavor agreement with the City of Jennings with respect to these transactions. This written agreement should be approved, adopted, and signed by both the School Board and the City Council.

Corrective Action Planned: A written agreement had been signed and executed by the School Board but had not been approved by the other governmental entity. We will ensure that both parties to the agreement sign and file the document as soon as possible.

Contact Person: Bill Hebert, Director of Finance, Jefferson Davis Parish School Board

Completion Date: As soon as possible, but before June 30, 2004

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**U.S. Department of Agriculture**

**Item: 2003-3**

Program/ Grant: Child Nutrition Cluster including School Breakfast Program –CFDA No. 10.553; and National School Lunch Program –CFDA No. 10.555

Finding/ Specific Requirement: Procurement and Suspension and Debarment

Recommendation: The Food Service Department should review Federal procurement regulations and associated state statutes dealing with public bid laws and implement policy changes that require someone to review this aspect of the bid process prior to soliciting bids.

Corrective Action Planned: We anticipate the implementation of the corrective action suggested by the independent auditor during the 2003-2004 fiscal year.

Contact Person: Etta Palmer, School Food Service Supervisor, Jefferson Davis Parish School Board

Completion Date: Before June 30, 2004

**U.S. Department of Education**

**Item: 2003-4**

Program/ Grant: Improving Teacher Quality State Grants –CFDA No. 84.367

Finding/ Specific Requirement: Allowable Costs/ Cost Principles

Recommendation: The School Board should implement procedures to ensure that this certification process is performed twice a year.

Corrective Action Planned: We anticipate the implementation of the corrective action suggested by the independent auditor during the 2003-2004 fiscal year.

Contact Person: Bill Hebert, Director of Finance, Jefferson Davis Parish School Board

Completion Date: Before June 30, 2004

Please contact me if you have any further questions.

Sincerely,



Bill Hebert, Director of Finance  
Jefferson Davis Parish School Board

# JEFFERSON DAVIS PARISH SCHOOL BOARD

P.O. BOX 640 203 EAST PLAQUEMINE STREET  
JENNINGS, LOUISIANA 70546

C. A. FRIEDMAN  
SUPERINTENDENT

TELEPHONE (337) 824-1834  
FAX (337) 824-9737

## MANAGEMENT'S STATUS OF PRIOR YEAR AUDIT FINDINGS

Mr. Mike B. Gillespie, CPA  
Mike B. Gillespie, CPA, APAC  
414 E. Nezpique Street  
Jennings, Louisiana 70546

Dear Mr. Gillespie:

The Jefferson Davis Parish School Board respectfully submits the following status report of prior year audit findings. The findings from management's corrective action plan on the June 30, 2002 audit are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

## FINANACIAL STATEMENT FINDINGS

### Finding 2002-1 : Deficiency in Financial Statement Reporting Controls

Condition: During a review of client prepared financial statements a discrepancy with the underlying general ledger was noted with respect the School Lunch Special Revenue Fund indicating a weakness or lack of internal controls.

Recommendation: Procedures should be implemented that require someone in a supervisory position within the finance department, other than the accountant responsible for preparing the financial statements, to document verification of the accuracy of all interim and annual financial statements.

Current Status/ Management Action Taken: Although we did not document the performance of supervisory reviews, for the year ending June 30, 2003, the financial statements compared to the general ledger without exception.

Contact Person: Bill Hebert, Director of Finance, Jefferson Davis Parish School Board

Completion Date: June 30, 2003

### Finding 2002-2 : Deficiency in Payroll Coding and Classifications Controls

Condition: During a review of controls over payroll coding and classifications a weakness was discovered concerning supervisory reviews of general ledger transaction assignments with respect to general fund salary changes and supplements.



Recommendation: Changes or other additions including payment of extra compensation to employees within the payroll system should be reviewed for correctness and documented as being authorized by someone other than the person in charge of preparing payroll checks.

Current Status/ Management Action Taken: This finding is being reported as current year finding in the Schedule of Findings and Questioned Costs as item 2002-2 due to a lack of documentation of supervisory reviews. However, based on discussion's with auditor's after performing their current year procedures they are reassessing this as a non-material reportable condition.

Contact Person: Bill Hebert, Director of Finance, Jefferson Davis Parish School Board

Completion Date: Before June 30, 2004

### **Finding 2002-3 : Deficiency in General Ledger End Year Closing Procedures**

Condition: During a review of accounts receivables and accounts payables we noted several material errors contained in the auditee's general ledger history ending balances. This condition was limited to five Special Revenue Funds which maintained transactions for Federal Awards, specifically: Title I (CFDA No. 84.010), Title VI (CFDA No. 84.298), Title I Carryover (CFDA No. 84.298), Title II (CFDA No. 84.281), Title IV -Drug Free Schools (CFDA No. 84.186).

Recommendation: Someone in the finance department independent of the accountant who produces the final general ledger and financial statements should be charged with the responsibility of reviewing the financial statements, trial balances, and general ledger histories to ensure that they all balance with each other before proceeding to the next reporting period. We also strongly suggest that the finance department develop a set of checklist containing procedures for proper general ledger closing and progression into the next reporting period for interim and annual financial reporting purposes. We further recommend that at fiscal year end someone also compare and reconcile all ending balance sheet balances to underlying workpapers prior to arrival of auditors for fieldwork. We suggest that documentation of performance of this reconciliation process be done in manner such as manually cross-referencing the final trial balance amounts to the underlying systematically indexed workpapers. This will ensure that appropriate supervisory control has at least been performed.

Current Status/ Management Action Taken: Although we did not document the performance of supervisory reviews, the auditor's noted no discrepancies in the general ledger and financial statement balances for the year ending June 30, 2003.

Contact Person: Bill Hebert, Director of Finance

Completion Date: June 30, 2003

### **Finding 2002-4 : Deficiency in Design and/or Failure of Controls Over Accounts Payable Cutoff Procedures**

Condition: During my review of accounts payable cutoff procedures, we discovered a material amount of unrecorded payables in the General Fund.



Recommendation: The finance department should develop appropriate accounting procedures and policies for items delivered before year-end but that are intended for use in the next fiscal year. Also, we suggest that year end items purchased for use in repairs to facilities and equipment during May and June should be incorporated into the budgetary planning process to ensure that undue pressure to misrepresent transactions is not put on purchasing supervisors and their staff members at year end.

Current Status/ Management Action Taken: Items received prior to fiscal year-end but are intended for the next fiscal year have been recorded in inventory as an asset. Meetings with the appropriate School Board personnel were held in which proper cutoff procedures were discussed.

Contact Person: Bill Hebert, Director of Finance, Jefferson Davis Parish School Board

Completion Date: June 30, 2003

## **FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

### **Department of Agriculture**

School Breakfast Program (CFDA No. 10.553) and National School Lunch Program (CFDA No. 10.555): Finding 2002-1 above applies to these Federal award programs.

### **Department of Education**

Title I-Grants to Local Educational Agencies (CDFA No. 84.010): Finding 2002-3 above applies to this Federal award program.

## **MANAGEMENT LETTER FINDINGS**

No findings reported.

\* \* \* \* \*

Sincerely,



Bill Hebert, Director of Finance  
Jefferson Davis Parish School Board

**Schedules Required by State Law**  
**(R.S. 24:514 Performance and Statistical Data)**  
**Year Ended June 30, 2003**

**JEFFERSON DAVIS PARISH SCHOOL BOARD  
JENNINGS, LOUISIANA**

**SCHEDULES REQUIRED BY STATE LAW  
(R.S. 24:514 PERFORMANCE AND STATISTICAL DATA)**

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Number and Type of Public Schools	3	8
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Louisiana Educational Assessment Program (LEAP) for the 21 <sup>st</sup> Century	7	12
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The IOWA Tests	9	14

# Mike B. Gillespie, CPA

(A Professional Accounting Corporation)

414 East Nezpique Street  
PO Box 1347, Jennings, LA 70546  
Phone (337) 824-7773

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## Independent Accountant's Report On Applying Agreed-Upon Procedures

To the Management of Jefferson Davis Parish School Board

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Jefferson Davis Parish School Board and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Jefferson Davis Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

### **General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)**

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures,
  - Total General Fund Equipment Expenditures,
  - Total Local Taxation Revenue,
  - Total Local Earnings on Investment in Real Property,
  - Total State Revenue in Lieu of Taxes,
  - Nonpublic Textbook Revenue, and
  - Nonpublic Transportation Revenue.

**Findings:** No exceptions were found as a result of applying the procedure.

**Education Levels of Public School Staff (Schedule 2)**

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.

**Findings:** No exceptions were found as a result of applying the procedure.

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

**Findings:** No exceptions were found as a result of applying the procedure.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

**Findings:** One of the 25 teachers we selected was classified in the Profile of Educational Personnel Report and therefore in management's report as having less than a bachelor's degree and being uncertificated. Our procedures indicated that as of October 1<sup>st</sup> this teacher did in fact have a bachelor's degree and was certificated. Had this teacher been correctly classified management's Schedule 2 would have been reported as follows:

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	0	0%	0	0%	0	0%
Bachelor's Degree	271	73%	3	100%	0	0%	0	0%
Master's Degree	60	16%	0	0%	6	20%	0	0%
Master's Degree + 30	38	10%	0	0%	20	67%	0	0%
Specialist in Education	3	1%	0	0%	4	13%	0	0%
Ph. D. or Ed. D.	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>372</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>30</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

**Management's Response:** Management agrees with the statements in the above finding.

**Number and Type of Public Schools (Schedule 3)**

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

**Findings:** No exceptions were found as a result of applying the procedure.

**Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)**

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

**Findings:** No exceptions were found as a result of applying the procedure.

**Public Staff Data (Schedule 5)**

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

**Findings:** No exceptions were found as a result of applying the procedure.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

**Findings:** No exceptions were found as a result of applying the procedure.

**Class Size Characteristics (Schedule 6)**

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

**Findings:** During our tracing of the random sample of 10 classes to the October 1<sup>st</sup> roll books we noted one exception. One kindergarten teacher reported by management as having twenty (20) students showed only eighteen (18) listed in the roll book as of October 1<sup>st</sup>. Although two other students were listed in the roll book, both contained notations that they had terminated participation in the class during August, 2002. This

finding did not effect the presentation of this schedule since the corrected class size count remained within the class size range reported by management.

**Management's Response:** Management agrees with the statements in the above finding.

**Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)**

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Jefferson Davis Parish School Board.

**Findings:** No exceptions were found as a result of applying the procedure.

**The Graduation Exit Exam for the 21st Century (Schedule 8)**

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Jefferson Davis Parish School Board.

**Findings:** No exceptions were found as a result of applying the procedure to data that was actually reported in management's Schedule 8. Management indicated to us that testing data was not available for 2001 with respect to science and social studies. Management also indicated that there was no Graduation Exit Exam for the 21<sup>st</sup> Century testing programs in 2000.

**Management's Response:** Management agrees with the statements in the above finding. Also, Management was only provided aggregated data for the GEE 21 with grades 10 and 11 combined. Management could not provide the testing data with grades 10 and 11 broken out.

**The Iowa Tests (Schedule 9)**

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Jefferson Davis Parish School Board.

**Findings:** No exceptions were found as a result of applying the procedure.

\* \* \* \* \*

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Jefferson Davis Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility



for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Mike B. Gillespie, CPA, APAC*

Certified Public Accountant

Jennings, Louisiana

December 3, 2003

## Schedule 1

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**
**General Fund Instructional and Support Expenditures**  
**and Certain Local Revenue Sources**  
**For the Year Ended June 30, 2003**
**General Fund Instructional and Equipment Expenditures**

## General Fund Instructional Expenditures:

## Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 13,589,039	
Other Instructional Staff Activities	1,594,561	
Employee Benefits	4,931,452	
Purchased Professional and Technical Services	76,336	
Instructional Materials and Supplies	769,586	
Instructional Equipment	105,642	
Total Teacher and Student Interaction Activities		\$ 21,066,616

Other Instructional Activities		\$ 430,844
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Pupil Support Activities	1,659,992	
Less: Equipment for Pupil Support Activities	(9,028)	
Net Pupil Support Activities		\$ 1,650,964

Instructional Staff Services	1,712,270	
Less: Equipment for Instructional Staff Services	(4,544)	
Net Instructional Staff Services		\$ 1,707,726

Total General Fund Instructional Expenditures		\$ 24,856,150
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Total General Fund Equipment Expenditures		\$ 140,325
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**Certain Local Revenue Sources**

## Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 673,901
Renewable Ad Valorem Tax	2,397,186
Debt Service Ad Valorem Tax	2,108,816
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	115,033
Sales and Use Taxes	7,684,147
Total Local Taxation Revenue	\$ 12,979,083

## Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 17,166
Earnings from Other Real Property	10,474
Total Local Earnings on Investment in Real Property	\$ 27,640

## State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 70,985
Revenue Sharing - Other Taxes	188,664
Revenue Sharing - Excess Portion	33,212
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	\$ 292,861

Nonpublic Textbook Revenue	\$ 10,933
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Nonpublic Transportation Revenue	\$ 12,465
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**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**Education Levels of Public School Staff**  
**As of October 1, 2002**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	1	25%	0	0%	0	0%
Bachelor's Degree	270	73%	3	75%	0	0%	0	0%
Master's Degree	60	16%	0	0%	6	20%	0	0%
Master's Degree + 30	38	10%	0	0%	20	67%	0	0%
Specialist in Education	3	1%	0	0%	4	13%	0	0%
Ph. D. or Ed. D.	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>371</b>	<b>100%</b>	<b>4</b>	<b>100%</b>	<b>30</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

**Schedule 3****JEFFERSON DAVIS PARISH SCHOOL BOARD  
Jennings, Louisiana****Number and Type of Public Schools  
For the Year Ended June 30, 2003**

<b>Type</b>	<b>Number</b>
Elementary	6
Middle/Jr. High	2
Secondary	4
Combination	2
<b>Total</b>	<b>14</b>

Note: Schools opened or closed during the fiscal year are included in this schedule.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**Experience of Public Principals and Full-time Classroom Teachers**  
**As of October 1, 2002**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	2	1	5	2	6	16
Principals	0	0	0	0	1	2	11	14
Classroom Teachers	15	25	115	65	52	38	65	375
<b>Total</b>	15	25	117	66	58	42	82	405

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**Public School Staff Data**  
**For the Year Ended June 30, 2003**

	<b>All Classroom Teachers</b>	<b>Classroom Teachers Excluding ROTC and Rehired Retirees</b>
<b>Average Classroom Teachers' Salary Including Extra Compensation</b>	\$39,779.52	\$39,814.13
<b>Average Classroom Teachers' Salary Excluding Extra Compensation</b>	\$37,506.01	\$37,541.67
<b>Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries</b>	371.0714286	369.0714286

**Note:** Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**Class Size Characteristics**  
**As of October 1, 2002**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	54.7	205	41.3	155	4.0	15	0.0	0
Elementary Activity Classes	32.8	19	39.7	23	6.9	4	20.6	12
Middle/Jr. High	15.4	24	13.5	21	71.1	111	0.0	0
Middle/Jr. High Activity Classes	7.4	2	11.1	3	51.9	14	29.6	8
High	45.2	187	36.5	151	18.3	76	0.0	0
High Activity Classes	51.9	28	27.8	15	11.1	6	9.2	5
Combination	75.1	172	22.7	52	2.2	5	0.0	0
Combination Activity Classes	33.3	6	33.3	6	5.6	1	27.8	5

**Note:** The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**Louisiana Educational Assessment Program (LEAP) for the 21st Century**  
**For the Year Ended June 30, 2003**

District Achievement Level Results	English Language Arts						Mathematics					
	2003		2002		2001		2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced	1	0%	15	3%	6	1%	18	4%	19	4%	7	2%
Mastery	81	20%	78	18%	90	19%	97	24%	61	14%	93	20%
Basic	226	56%	220	50%	255	55%	206	51%	227	51%	260	56%
Approaching Basic	74	18%	106	24%	87	19%	62	15%	93	21%	66	14%
Unsatisfactory	22	5%	25	6%	26	6%	21	5%	44	10%	37	8%
<b>Total</b>	<b>404</b>	<b>100%</b>	<b>444</b>	<b>100%</b>	<b>464</b>	<b>100%</b>	<b>404</b>	<b>100%</b>	<b>444</b>	<b>100%</b>	<b>463</b>	<b>100%</b>

District Achievement Level Results	Science						Social Studies					
	2003		2002		2001		2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced	11	3%	30	7%	17	4%	18	4%	8	2%	11	2%
Mastery	115	28%	82	18%	114	25%	88	22%	65	15%	84	18%
Basic	194	48%	246	55%	239	52%	225	56%	273	61%	268	58%
Approaching Basic	74	18%	72	16%	80	17%	57	14%	73	16%	76	16%
Unsatisfactory	10	2%	14	3%	14	3%	16	4%	25	6%	24	5%
<b>Total</b>	<b>404</b>	<b>100%</b>	<b>444</b>	<b>100%</b>	<b>464</b>	<b>100%</b>	<b>404</b>	<b>100%</b>	<b>444</b>	<b>100%</b>	<b>463</b>	<b>100%</b>

District Achievement Level Results	English Language Arts						Mathematics					
	2003		2002		2001		2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced	5	1%	9	2%	3	1%	11	2%	4	1%	13	3%
Mastery	62	14%	80	19%	58	14%	27	6%	20	5%	26	6%
Basic	189	44%	174	41%	189	47%	225	51%	207	49%	227	55%
Approaching Basic	144	33%	137	33%	133	33%	110	25%	140	33%	88	21%
Unsatisfactory	32	7%	21	5%	23	6%	69	16%	54	13%	59	14%
<b>Total</b>	<b>432</b>	<b>100%</b>	<b>421</b>	<b>100%</b>	<b>406</b>	<b>100%</b>	<b>442</b>	<b>100%</b>	<b>425</b>	<b>100%</b>	<b>413</b>	<b>100%</b>

District Achievement Level Results	Science						Social Studies					
	2003		2002		2001		2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced	10	2%	8	2%	0	0%	2	0%	5	1%	0	0%
Mastery	74	17%	86	21%	81	20%	59	14%	45	11%	66	16%
Basic	187	43%	192	46%	191	48%	218	51%	224	53%	196	49%
Approaching Basic	125	29%	102	24%	94	23%	100	23%	107	26%	95	24%
Unsatisfactory	34	8%	31	7%	35	9%	51	12%	38	9%	44	11%
<b>Total</b>	<b>430</b>	<b>100%</b>	<b>419</b>	<b>100%</b>	<b>401</b>	<b>100%</b>	<b>430</b>	<b>100%</b>	<b>419</b>	<b>100%</b>	<b>401</b>	<b>100%</b>



**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**The Graduation Exit Exam for the 21st Century**  
**For the Year Ended June 30, 2003**

District Achievement Level Results	English Language Arts						Mathematics					
	2003		2002		2001		2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 10, 11</b>												
Advanced	1	0%	4	1%	0	0%	31	8%	25	6%	9	2%
Mastery	47	13%	45	12%	60	14%	71	18%	44	11%	90	21%
Basic	164	44%	185	49%	212	49%	165	42%	161	41%	170	40%
Approaching Basic	100	27%	100	26%	87	20%	56	14%	68	17%	73	17%
Unsatisfactory	64	17%	45	12%	71	17%	71	18%	92	24%	88	20%
Total	376	100%	379	100%	430	100%	394	100%	390	100%	430	100%

District Achievement Level Results	Science						Social Studies					
	2003		2002		2001		2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 10, 11</b>												
Advanced	6	2%	13	3%			5	1%	5	1%		
Mastery	54	16%	73	19%	Data Not		37	11%	21	5%	Data Not	
Basic	174	51%	153	39%	Available		175	51%	176	45%	Available	
Approaching Basic	73	21%	79	20%			78	23%	109	28%		
Unsatisfactory	35	10%	72	18%			48	14%	79	20%		
Total	342	100%	390	100%			343	100%	390	100%		

**JEFFERSON DAVIS PARISH SCHOOL BOARD**  
**Jennings, Louisiana**

**The IOWA Tests**  
**For the Year Ended June 30, 2003**

	<b>Composite</b>		
	2003	2002	2001
<b>Test of Basic Skills (ITBS)</b>			
Grade 3	<b>69</b>	<b>64</b>	<b>63</b>
Grade 5	<b>63</b>	<b>59</b>	<b>57</b>
Grade 6	<b>54</b>	<b>56</b>	<b>56</b>
Grade 7	<b>54</b>	<b>57</b>	<b>55</b>
<b>Tests of Educational Development (ITED)</b>	<b>54</b>	<b>57</b>	<b>56</b>
Grade 9			

Scores are reported by National Percentile Rank. A student's National Percentile Rank shows the student's relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. A student with a score of 72 indicates that the student scored the same or better than 72 percent of the students in the norm group.